

Charities of the Roman Catholic Archdiocese of Dublin

Annual Financial Report

Financial Year Ended 31 December 2020

CONTENTS

	Page
TRUSTEES AND OTHER INFORMATION	2 - 3
TRUSTEES' REPORT	4 - 18
INDEPENDENT AUDITORS' REPORT	19 - 20
STATEMENT OF FINANCIAL ACTIVITIES	21
BALANCE SHEET	22
STATEMENT OF CASH FLOWS	23
NOTES TO THE FINANCIAL STATEMENTS	24 - 47

TRUSTEES AND OTHER INFORMATION

Trustees	Most Reverend Archbishop Diarmuid Martin (Retired 2 February 2021) Most Reverend Archbishop Dermot Farrell (Appointed 2 February 2021) Right Reverend Monsignor John Dolan Very Reverend Monsignor Paul Callan St Laurence O'Toole Diocesan Trust
Finance Committee	Mr Jim McKenna (Chairperson) Mr John Corrigan Mr Michael Duffy Mr Sean McKone Mr Tom Foley Mr Terence O'Rourke Very Reverend Andrew O'Sullivan Very Reverend Liam Belton Very Reverend Joe Jones Sr Irene Dunne Mr Eamonn Griffin (appointed 27 April 2021)
Buildings Committee	Mr Sean McKone (Chairperson) Mr Edward O'Shea Mr Tony Sheppard Mr Nick Smith Mr Pdraig Kennedy
Investments Committee	Mr John Corrigan (Chairperson) Reverend Bernard Meade, C.M.
Audit Committee	Mr Terence O'Rourke (Chairperson) Mr Tom Foley Sr Irene Dunne Reverend Robert Smyth
Financial Administrator and General Manager	Mr Declan McSweeney
Solicitors	Mason Hayes & Curran South Bank House Barrow Street Dublin 4
Bankers	Allied Irish Banks 7/12 Dame Street Dublin 2 Bank of Ireland College Green Dublin 2
Auditors	PricewaterhouseCoopers Chartered Accountants and Registered Auditors One Spencer Dock North Wall Quay Dublin 1

TRUSTEES AND OTHER INFORMATION - continued

Investment Advisors	Aon Iveagh Court Harcourt Road Dublin 2
Principal Office	Holy Cross Diocesan Centre Clonliffe Road Dublin 3
Charity Number	CHY 1333
Charities Regulator Number	20002022

TRUSTEES' REPORT

Charities of the Roman Catholic Archdiocese of Dublin

BACKGROUND

A diocese is composed of distinct parts known as parishes being communities of the Christian faithful established and entrusted to a pastor under the authority of the diocesan bishop.

The Archdiocese of Dublin ("the Diocese") covers an area of some 100 kilometres of the mid-eastern coast of Ireland and extends inland over seventy kilometres. The entire county of Dublin forms a substantial part of the Diocese along with most of Wicklow, considerable sections of Kildare, in addition to sections of Carlow, Wexford and Laois.

The area covered by the Diocese is 3,184 km sq. At the most recent available estimate, the Catholic population of the Diocese was approximately 1 million.

There are 197 parishes in the Diocese. The parishes are established and operate according to the provisions of the Code of Canon Law which confers on them separate canonical status, rights and obligations. Canon Law is the name given to the laws and regulations that govern within the Catholic Church.

In Canon Law, the administrative offices of a Diocese are known as the "Curia". The Curia is referred to as the "Diocesan Offices" throughout the Financial Statements.

STRUCTURE

The Charity comprises the financial statements of the Diocesan Offices and a number of other charitable funds administered by the Diocese. The Diocesan Support Offices in the Curia support the 197 parishes of the Archdiocese in promoting and advancing the Catholic faith. It does this through the Offices of Liturgy, Evangelisation and Ecumenism and provides parishes with expertise on matters of Finance and Property, Child Protection, Education, Law, Human Resources, Canon Law and Communications.

The charitable funds are grouped into a number of funds established by trust, will or intention, each of which is used for the purpose for which the money was originally received. These restricted funds are detailed from s 12 to 15.

In Civil Law, The Charities of Roman Catholic Archdiocese of Dublin ("Charity") is a Charitable Trust, governed by a Trust Deed signed on 20 December 2017. The registration number of the Charity with the Charities Regulatory Authority (CRA) is 2000 2022. The Charity is registered with the Revenue Commissioners as being established for charitable purposes – CHY No. 1333.

There is a separate registration with the CRA for the 'Parishes and Schools of the Diocese of Dublin' and separate civil filings are made for this Charity (see page 6 for all related Charities).

GOVERNANCE

The Archdiocese is governed by the Archbishop. Archbishop Diarmuid Martin retired on 2 February 2021 and his replacement Archbishop Dermot Farrell was appointed as the Archbishop of Dublin on the same date.

In the exercise of his authority, the Archbishop is subject to the provisions of the Code of Canon Law.

The Diocesan Trustees assist the Archbishop in his role. The Trustees who served during the year are listed on page 2 and are senior members of the clergy of the Archdiocese. The Financial Administrator introduces new Trustees to their role and responsibilities. On appointment, a corporate governance briefing and other background documentation is provided to the Trustees together with copies of the trust deed and the latest financial information available. Trustees are periodically briefed on best practice in corporate governance and procedures are updated as appropriate.

The Trustees meet annually to receive the Annual Report and audited financial statements. Other meetings take place quarterly and as required. Unless otherwise stated, all other the Trustees were in office up to the date of approval of the financial statements.

TRUSTEES' REPORT - continued
Charities of the Roman Catholic Archdiocese of Dublin

GOVERNANCE – continued

Dublin Diocesan Finance Committee

The Dublin Diocesan Finance Committee (“DDFC”) is a non-executive Committee currently comprising eleven members, of whom three are priests, one a religious sister, and seven are lay members. The Archbishop appoints the Committee members and the Chairperson. The DDFC advises and guides the Archbishop and the Trustees in the financial management and stewardship of the Charity. The Finance Committee members who served during the year are listed on page 2. The Finance Committee normally meets ten times per year. Unless otherwise stated, the Finance Committee members were in office up to the date of approval of the financial statements.

There are four subcommittees of the DDFC: the Buildings Committee, the Investments Committee, the Audit Committee and the Income Committee.

The Buildings Committee

The Buildings Committee oversees the governance of building projects in both the Diocesan Offices and parishes of the Diocese. The Buildings Committee comprises one member of the DDFC, who is Chairman, together with four additional co-opted independent members with relevant expertise.

The Investments Committee

The Investments Committee comprises of one member of the DDFC, who is Chairman, together with one additional co-opted independent member. Aon Hewitt acts as advisors to the Committee.

With the guidance of the DDFC, the Trustees have entrusted the management of the investments of the Charity to independent investment managers. The Investments Committee monitors the performance of these managers at quarterly intervals. The Investments Committee has ensured that proper investment management agreements are signed with each of these managers for all of the funds under their management.

The Audit Committee

The Audit Committee considers accounting, audit and risk issues and reviews and recommends strengthening of the Charity’s governance processes. It comprises of three members of the DDFC and one additional co-opted member. The Audit Committee oversees financial reporting and related matters such as risk management external and internal audit.

The Income Committee

In 2020, this committee was set up as a sub-committee of the DDFC was formed with a specific purpose of how to address income reductions as a result of the pandemic.

The other diocesan advisory bodies of the Charity are:

College of Consultors, a committee of priests appointed for a five-year term, which the Trustees consult on matters such as acts of extraordinary administrative importance and proposed sales of assets with a significant monetary value.

Diocesan Council of Priests that advises the Archbishop in governing the Diocese.

Commission of Parish Boundaries that advises on the provision of churches and pastoral outreach centres. It also advises on the re-organisation or establishment of parishes and the revision of parish boundaries.

Diocesan Sacred Art, Architecture, and Historic Churches Commission that gives advice on new church designs and plans for the alteration of existing churches.

Terms of Reference have been set for all the Committees and advisory bodies detailed above.

MANAGEMENT

The Moderator of the Curia, Monsignor Paul Callan, and the General Manager and Financial Administrator, Mr Declan McSweeney, support the Archbishop in the day-to-day management of the Diocesan Offices.

The names of the Charity’s Bankers, Solicitors, Investment Advisors and Auditors are located on pages 2 and 3.

TRUSTEES' REPORT - continued
Charities of the Roman Catholic Archdiocese of Dublin

RELATED CHARITIES

The Charity is affiliated with the following registered charities;

	CHY Number	CRA Number
Parishes and Schools of the Diocese of Dublin	7424	20016166
World Meeting of Families 2018	22001	20152710
Irish Episcopal Conference (IEC)	5956	20009861
St. Patrick's College, Drumcondra	12065	20034542

Diocesan Agencies

Crosscare	6262	20010942
Accord	6983	20014100
Dublin Diocesan Pilgrimage to Lourdes	5613	20008703

(Lourdes is in the process of deregistering its separate charity number as it is now reported in this Charity.)

The St Laurence O'Toole Diocesan Trust is a bare trust in which all diocesan and parish properties are nominally held. It is a Company Limited by Guarantee (Registered Number 24430). It does not perform any activities and is not a registered Charity with the CRA. The properties of the Trust are reflected in the Financial Statements of the relevant registered Charity.

INTERNAL CONTROL AND RISK MANAGEMENT

The Trustees are responsible for providing reasonable assurance that:

- the Charity complies with relevant laws and regulations;
- the Charity is operating efficiently and effectively;
- the Charity's assets are safeguarded against unauthorised use or disposition and
- proper records are maintained and financial information used within the Charity or for publication is reliable.

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement of loss. They include:

- an annual budget covering the Diocesan Offices' activities approved by the Archbishop;
- regular consideration by the DDFC, Audit Committee and the Investments Committee of the financial results, variances from budgets, investment performance and benchmarking reviews;
- delegation of authority, segregation of duties and formal supervision structures and
- the appointment of an external firm of internal auditors which are engaged on a three-year contract since 2019.

OBJECTIVES AND ACTIVITIES

The objective of the Charity is to promote the advancement of the Roman Catholic religion by enabling the Archbishop to fulfil his canonical responsibilities that include the following:

- i. advancement of religion;
- ii. advancement of education;
- iii. provision for priests and other clergy;
- iv. provision for the Diocesan Offices of the Archdiocese;
- v. promotion of Catholic ethos in all walks of life;
- vi. relief of poverty; and
- vii. provision of physical infrastructure related to the activities of the Charity.

AIMS

The Charity every year focuses on the achievements of the seven objectives listed above.

The Activity Report (pages 9 to 16) sets out in detail the activities of the different functions of the Charity in the period.

TRUSTEES' REPORT - continued
Charities of the Roman Catholic Archdiocese of Dublin

THE ROLE OF VOLUNTEERS

The majority of volunteers who support the Charity give of their time and expertise by serving on the various committees of the Charity. Time and commitment varies for each group. Some committees meet once a month while others meet several times a year.

Other volunteers assist with research in the Diocesan Archives, including a committed volunteer three days per week. All volunteering in the Diocesan Archives has ceased during the pandemic.

FINANCIAL REVIEW OF THE YEAR

The figures detailed below in the review of the financial year are rounded to the nearest thousand (k).

Statement of Financial Activities & Balance Sheet review (see pages 21 & 22)

During the year to 31 December 2020, the restricted funds continued to be administered in accordance with their intended purposes. Further details on income generated and payments granted in the year are provided on pages 12 to 14 in the activity report.

The Trustees are responsible for the management of the funds with advice from the relevant diocesan and financial experts. Funds held are restricted, designated or unrestricted. Most of the Charity's restricted funds are no longer in receipt of donations and income in these funds arise from having been placed in investment funds over the years. The objective of the Trustees is to manage and disburse the funds in a responsible manner. There is no intention to actively increase the following restricted reserves into the future, the O'Brien Institute Fund, the Poor of Dublin, the Mission Fund, and the Irish Martyrs Fund. The other restricted funds require ongoing income streams to meet their expenses.

The total income for the Charity decreased by €1,187k in the current year to €7,428k (2019: €8,615k). The following are some of the main reasons for this decrease:

Donations and legacies decreased by €810k to €1,227k in the current year (2019: €2,037k). Donations to the Charity in the form of legacies decreased by €559k in the current year to €237k (2019: €796k). Donations from the Peter's Pence special collection also decreased in the current year as the collection was cancelled due to the global pandemic.

Contributions from diocesan related charities decreased by €607k to €4,249k in the current year (2019: €4,856k) (see note 5 (i) page 30). The majority of this income relates to contributions from the Share Fund to the Charity to meet the net costs of the diocesan support offices in the Curia that support the Archbishop and the 197 parishes of the Archdiocese of Dublin in carrying out their mission in promoting and advancing the Catholic faith. In 2020, the Share Fund contribution to the Charity decreased by €547k to €3,576k (2019: €4,123k).

The Curia receives a contribution from parishes towards the costs that the Charity incurs to ensure that the parishes are compliant with the Charities Act and for the costs associated with the Pastoral Management System in parishes. The 2020 contribution was reduced by 50% to €144k to take into account the reduction in income that parishes experienced because of the pandemic. The reduction in income streams mentioned above were partially offset by the recognition of the amortisation of a long-term lease that DCU has with St. Patrick's College in Drumcondra. This lease resulted in €824k being recognised in the financial year (see note 23 page 47). Another mitigating factor is that the Charity received €108k as a contribution from a parish in relation to the sale of a property above a certain threshold. The Charity also received a donation from the Albert Gubay Foundation of €145k towards the cost of the 2018 World Meeting of Families.

Total expenditure incurred in furthering the objectives of the Charity increased by €2,057k to €13,587k in the current year (2019: €12,413k). This total increase in expenditure is attributed mainly to the additional once off costs that were incurred during the relating to the voluntary redundancy programme. The majority of the Diocesan Offices expenses are met by the weekly Share Fund collection, which is normally the second collection at Mass. This collection provides the majority of the income required to run the Diocesan Support Offices. The Share collection has been in decline since 2009. Due to the prolonged suspension of public worship and subsequent restrictions on numbers permitted to attend for public worship because of the Covid-19 pandemic, the Share collection has decreased by 60% in 2020. From the beginning of the pandemic in mid-March 2020 to the year-end, the Share collection decreased by 74% compared to the same period in the prior year. As a consequence of the sharp decline in the Share collection income, the Charity met and continues to meet the criteria to avail of the Government's Wages Subsidy Scheme for most staff employed by the Charity.

TRUSTEES' REPORT - continued

Charities of the Roman Catholic Archdiocese of Dublin

FINANCIAL REVIEW OF THE YEAR - continued

As a result of the sharp decline in the Share collection it was necessary to reduce the long term fixed costs of the Diocesan Offices as there is currently little optimism that the collections will go back to the pre pandemic amounts for some time. Consequently, a voluntary redundancy programme was offered to diocesan employees whose salary was funded by the Share Fund. In total 40 of the employees that were offered voluntary redundancy applied and were accepted. The total cost of the voluntary redundancy including professional fees was €2,030k. This reduced the number of Diocesan employees and the cost savings associated with this programme will be reported next year.

Expenditure on charitable activities has increased by €1,439k to €11,709k (2019: €10,270k) (see note 6(ii) pages 32). In addition to voluntary redundancy costs incurred, grants to beneficiaries increased in the current year by €165k to €4,384k (2019: €4,219k).

The Charity donated €1,000k to the Common Fund in the current year as the income arising in the Common Fund first collection at Sunday Masses decreased by 54% as a result of the pandemic. The first collection at these Masses supports the priests of the Diocese and sick and retired priests. As a result of the sharp decline in this collection, the priests' stipends were reduced by 25% as there was not sufficient income donated to meet these expenses. From the beginning of the pandemic in mid-March 2020 to the year-end, the decrease was 65% compared to the same period in the prior year. The Charity donated €1,514k to the Share Pastoral Services Fund to replenish the income donated in the Living the Joy of the Gospel campaign that was donated in pillar two of the campaign for lay ministry. The Charity also donated €150k to the Pontifical Charities in Rome as the annual collection; the 'Peter's Pence' collection that is normally held in parishes in respect of the Pontifical Charity and was cancelled in the current year because of the pandemic.

Grants donated from the restricted funds decreased in the current year. This was due to a decrease in the number of submissions that the Trustees received of as a result of the pandemic. In particular, submissions to the O'Brien Institute's restricted fund decreased as schools were closed for a significant part of the year.

Other expenditure decreased by €122k to €1,138k in the current year (2019: €1,260k). This reduction in other expenditure is a result of the reduction in the number of new clerical sexual abuse claims and associated costs.

The Charity sponsors two pension schemes, the Catholic Diocese of Dublin pension scheme (CDD) and the Mater Dei Institute pension scheme (MDI). There were 646 active, deferred and pensioner members in the schemes in 2020. Thirty-three of the active members chose the voluntary redundancy. A number of these employees accepted a transfer value offered to them by the Diocese to transfer their pension out of the CDD scheme. This resulted in a curtailment gain in the pension scheme of €116k in the current year (note 15 pages 41). The schemes reported a decrease in costs of €111k in the current year to €708k (2019: €819k).

The Charity reported a decrease of €2,541k in net gains on the valuation of investments to €953k in the current year (2019: €3,494k). These net gains are broken down between realised and unrealised gains on investments. The Charity reported realised gains of €1,288k (2019: €657k) on the investments it disposed of during the year. The investments made unrealised losses of €335k in the current year (2019: unrealised gains of €2,837k).

Transfers between funds of the Charity in 2020 amounted to €129k (2019: €173k). These transfers net off on consolidation of the funds (note 21 page 44).

During the year, the Dublin Diocesan Pilgrimage to Lourdes registered charity (CRA 20008703, CHY 5613) transferred into the reporting structure of this Charity as a restricted fund. The value of the net reserves transferred into the Charity was €554k. Other related transfers into the Charity amounting to €120k during 2020 include the net book value of four properties at St. Patrick's College, Drumcondra. The Archbishop of Dublin is the beneficial owner of these properties.

Also recorded in transfers into the Charity during the year is a finance lease for €5,123k with DCU for a 150-year long-term lease of the remaining St. Patrick's College land and buildings. The Archbishop of Dublin owns the freehold of this property.

Overall, the Charity's total net movement in funds increased by €35,829k to €83,699k in the current year (2019: €47,870k). The main reason for this increase in funds is the sales proceeds from the second tranche from the Clonliffe property sale and the recognition of the finance lease with DCU.

In October 2020, the second tranche in the sales contract with the Gaelic Athletic Association (GAA) closed. This contract sold the Charity's land and buildings at Holy Cross College that were surplus to requirements over a four-year period. This

TRUSTEES' REPORT - continued
Charities of the Roman Catholic Archdiocese of Dublin

FINANCIAL REVIEW OF THE YEAR - continued

second tranche transferred the ownership of 6.51 acres of land to the GAA. The Charity received sale proceeds of €31,248k for this transfer. The Charity received a further €2,918k in the second tranche as a result of the clause in the contract that ensured that the Charity received a share of any profits made by the GAA if they sold on any of the land and buildings to a third party. The GAA sold on a significant portion of the land they purchased from the Charity, which resulted in the Charity receiving a share in the profits made by the GAA arising from this clause. The final two tranches of the sale are contracted to take place over the next two years with the final of the four tranches concluding in October 2022. These sales proceeds are designated by the Trustees in line with the approval from the Holy See and are not available for day-to-day operating expenditure.

The Charity has retained ownership of Archbishop's House and the former Mater Dei College building. The Mater Dei building is currently leased by the Charity to Dublin City Council at a nominal rent and is being used as a family hub for 50 homeless families, which is managed by the Diocesan agency, Crosscare.

A provision is included in the financial statements for the estimated total costs of outstanding claims and for the eventuality of future claims arising for compensation in connection with the alleged clerical abuse of children. The provision at 31 December 2020 decreased by €245k to €9,811k in the current year (2019: €10,056k) (see note 16, page 41).

In the year to 31 December 2020, the defined benefit pension schemes' overall net deficit decreased by €3,355k to €4,763k (2019: €8,118k) (see note 15 page 39). In accordance with FRS 102, the total liability of the multi-employer scheme is reported in the diocesan financial statements.

Subsequent to the year-end, the Trustees have decided to wind up one of the defined benefit pension schemes, the Catholic Diocese of Dublin Pension Plan. The scheme has become unaffordable for participating employers, in particular because of the current and expected future costs of funding the deficit in the scheme. Alternative arrangements for members of the pension scheme are under consideration. On 25 June 2021, the Trustees formally notified the trustees of the Diocese of Dublin Pension Scheme of their intentions to wind up the scheme.

At 31 December 2020, the Charity's total reserves increased by €35,829k to €83,699k (2019: €47,870k). These reserves can be analysed further in line with the charity SORP FRS102 between restricted, designated and unrestricted reserves. The Charity has restricted reserves of €12,622k (2019: €13,565k), designated reserves of €53,956k (2019: €24,237k) and unrestricted reserves of €17,121k (2019: €10,069k) (see note 17 reserves note page 42).

ACHIEVEMENTS AND PERFORMANCE

ACTIVITY REPORT

1 UNRESTRICTED FUNDS

i. General Fund

The General Fund comprises bequests and donations, which are given for charitable purposes to be used at the Archbishop's discretion in consultation with key management. The main category of expense in the General Fund is in relation to costs arising from clerical sexual abuse claims. Expenses in relation to clerical sexual abuse claims in the year were €210k (2019: €695k). The provision for current and future claims decreased by €245k to €9,811k in 2020 (2019: €10,056k). Movements in the diocesan pension schemes are also reported in the General Fund. The diocesan pension schemes reported a deficit at the end of the year of €4,763k (2019: €8,118k), which decrease in the pension schemes' deficit was as a result of the net impact of the actuarial changes to the pension schemes' assumptions during the year (see note 15, page 39 to 41).

The balance in the General Fund at 31 December 2020 is €71,076k (2019: €34,306k) of which €53,956k is designated. These designated funds relate to the sale proceeds received of €53,718k from tranches one and two of the sale of the Holy Cross College land and buildings to the GAA that were surplus to current requirements. Also included in these General Fund designated reserves are the fixed asset reserves with a closing year-end net book value of €2,848k that relate to the remainder of the land at Holy Cross College that will be disposed of when tranches three and four of the sales contract close. The reserves are designated in the following areas in line with the approval from the Holy See;

TRUSTEES' REPORT - continued

Charities of the Roman Catholic Archdiocese of Dublin

ACTIVITY REPORT – continued

1 UNRESTRICTED FUNDS – continued

training of seminarians, formation of future pastoral leadership, new diocesan pastoral centre, the care of sick and retired priests, the refurbishment of the Pro-Cathedral and a contingency reserve.

ii. Diocesan Support Offices

The purpose of the Diocesan Support Offices in the Curia is to assist the Archbishop in his pastoral care of the Charity and other related charities especially in directing pastoral action, and in providing support services to 'Parishes and Schools of the Diocese'. The costs of these support services are assisted by parishioners of the diocese, through the weekly Share collection. The Share Fund is reported within the related Charity 'Parishes and Schools of the Diocese of Dublin'. In the year, the cost of the Diocesan Support Services decreased by €375k to €4,620k in the current year (2019: €5,200k) (see note 8, page 36).

The Diocesan Support Offices comprise:

- **Office for Evangelisation and Ecumenism**
Evangelisation is the mission of the Church; ecumenism is a movement within the Church. The ultimate goal of evangelisation and ecumenism are the same; that all be one in Christ. The purpose of the office is to raise the profile of evangelisation and ecumenism throughout the Archdiocese and to act as a diocesan base for disseminating information about successful outreach initiatives.
- **Dublin Diocesan Liturgy Resource Centre**
The Dublin Diocesan Liturgy Resource Centre offers resources for prayer and liturgy throughout the Diocese, supporting and advising parishes and offering liturgical training.
- **Education Secretariat**
The Education Secretariat assists the Boards of Management of 450 Catholic Primary Schools in all governance issues and liaises, on behalf of the Archbishop, with the Trustees of the 108 Catholic Post-Primary Schools and the 73 other Post-Primary Schools under other Trustees. The Secretariat also supports the work of the chaplains to Third Level Colleges, i.e. TU Dublin, University College Dublin, Dublin City University, Trinity College Dublin and Maynooth University. The Secretariat liaises with the Department of Education and Skills, the three Teachers' Unions and the National Parents' Council on behalf of the schools under Catholic Patronage/Trusteeship.
- **Vocations Office**
The Vocations Office encourages and promotes vocations to the priesthood and permanent diaconate in the Archdiocese. There are currently two seminarians training to become priests of the Archdiocese of Dublin. The Archdiocese has 33 Permanent Deacons and 3 candidates in training.
- **Offices of the Moderator and the General Manager**

The offices of the Moderator and the General Manager oversee the administration of diocesan offices that support the Archbishop, 197 parishes and Catholic schools.

The office of the General Manager manages the outsourced functions of Information Technology and Human Resources.

In 2020, the Human Resources and Communications Offices were combined into these offices as the four staff carrying out these functions chose voluntary redundancy.

Human Resources support functions was outsourced at the end of December 2020 to a specialist company. The provision of support includes assistance with recruitment and selection for all types of roles, and advice on managing employment grievances including representation at third party hearings. The Office also prepares documentation on behalf of parishes when required, including contracts of employment and contract for services.

The Office of the Moderator is now managing the Communications function.

TRUSTEES' REPORT - continued

Charities of the Roman Catholic Archdiocese of Dublin

ACTIVITY REPORT – continued

1 UNRESTRICTED FUNDS – continued

In 2020, a project manager was appointed to manage the relocation of diocesan offices and the closure of Holy Cross College.

The diocese has an in-house solicitor who deals with the legal matters associated with commercial contracts and property transactions for the Diocese and the parishes. The external diocesan solicitors deal with all other legal issues.

In 2020, a compliance co-ordinator was appointed to assist with governance and compliance matters.

- **Communications Office**

The Communications Office, whose function is now managed by the Office of the Moderator, processes local, national and international media queries relating to the Archbishop, the Archdiocese and parishes. Media advice and support is also extended to Diocesan Agencies.

This office is responsible for the daily management and development of Diocesan websites and social media platforms such as Facebook and Twitter.

- **Child Safeguarding and Protection Services**

The Child Safeguarding and Protection Services is responsible for the establishment and maintenance of safe environments for children and vulnerable adults involved in Church activities largely through training in parishes. The Office gives support to those who experienced abuse as children within a Church context and manage allegations of child abuse that arise within the Diocese to ensure that the Church and national child protection guidelines are followed and that risks to the safety of children are assessed and minimised.

The office also processes Garda vetting forms on behalf of parishes, diocesan agencies, schools (non-teaching staff), religious orders and agencies. The office provides advice on safeguarding matters, mainly to parishes and diocesan agencies.

- **Offices for Clergy and Religious**

The Office for Clergy supports the spiritual, theological, pastoral and continuing formation of the Clergy as well as their health, well-being and general care.

The Office for Religious provides support services for all religious, contemplative men and women, active sisters, brothers and priests, especially in canonical matters.

- **Diocesan Archives**

The Diocesan Archives preserve the sources describing the historical development of the Church community as well as those relating to the liturgical, sacramental, educational and charitable activities, which the clergy, religious, and lay members of the Church have carried out throughout the centuries up to the present day.

- **Finance Secretariat**

The Finance Secretariat advises the Diocesan Offices and parishes on financial, property, compliance and legal matters, such as banking arrangements, financial controls, accounting obligations under the Charities Act and legal issues.

The Secretariat carries out secretarial functions on behalf of the Charity, some related Charities and restricted funds. It also administers transactions on behalf of the St Laurence O'Toole Diocesan Trust.

The Finance Secretariat administers the two weekly collections taken up at Masses in parishes. The Secretariat manages salary payments to diocesan employees and provides administration services in relation to pension and health insurance. The Secretariat process the monthly payments to active and retired priests, payments of expenses such as supplier invoices, insurance premiums and payments to the beneficiaries of the restricted funds. The Finance Secretariat is responsible for the production of annual financial statements and budgets for a number of diocesan entities.

TRUSTEES' REPORT - continued
Charities of the Roman Catholic Archdiocese of Dublin

ACTIVITY REPORT – continued
1 UNRESTRICTED FUNDS – continued

The Property Section of the Finance Secretariat oversees building maintenance and projects, including a wide range of listed buildings throughout the diocese.

- **Office for Financial Development**
The Office for Financial Development develops and implements new strategies to ensure a sustainable future funding base for parishes and the Diocese.
- **Chancellery**
The Chancellery manages canon law matters including those that relate to the sacraments, in particular marriage. It serves as a resource to give advice on canonical issues to the Archbishop, his staff, priests, diocesan agencies and parishes.

2 RESTRICTED FUNDS

The financial statements include a number of restricted funds whose reserves cannot be used for any other purpose. The closing reserves of these thirteen funds vary from €3,683k to (€11k). The reserves of these funds are disclosed in note 8 on page 36. The total restricted reserves reduced by €942k to €12,622k at the end of the year (2019: €13,564k). The Dublin Diocesan Pilgrimage to Lourdes transferred into the Charity in the current year as a restricted fund. As a result of this transfer in, net reserves of €554k, which are now restricted reserves in this Charity are included in the year end balances. Up until the transfer into the Charity, it was reported separately to the Charities Regulatory Authority under a separate registered charity (CRA number 20008703). All the restricted funds generated total income of €420k during the year and had expenditure of €2,046k. This expenditure related primarily to charitable donations to beneficiaries. Investments held by these funds reported net gains of €258k during the year. Net funds also reported net transfers between funds of €426k of which the Lourdes Pilgrimages reserves mentioned above are included.

O'Brien Educational Trust Fund - reserves at 31 December 2020 - €2,044 (2019: €2,677k)

The fund was established under a scheme approved by the High Court in 1977 referring to the 1847 will of Miss Bridget O'Brien RIP. The purpose of the fund is to help defray the costs of the education of children in need of support. The Trustees consider applications from schools, parents and organisations who deal with the education of disadvantaged children. Schools and other beneficiaries who qualify under the terms of the Trust are invited to make submissions via the application form available from the Finance Secretariat.

During the year, 53 grants totalling €686k (2019: €1,090k) were distributed to various schools and projects. The maths recovery programme received €30k during the year. Due to the closure of schools as a result of the pandemic the maths recovery moved online and no new schools were taken on in the year. Grant applications to the Trustees for financial support from this fund reduced from schools during the year because of COVID-19. Throughout the course of the year various DEIS schools were awarded grants, and other learning units and special schools received grants. These grants vary from school to school; however, the requests and resultant grants made tend to be for support to assist with the purchase of information technology equipment, books to establish school libraries to improve literacy, equipment for sensory rooms, playgrounds and educational trips.

Below are a sample of the grant beneficiaries during the year:

- Crosscare received a grant of €150k which was utilised towards their youth led educational programmes that were switched to social media and web-based supports during the pandemic,
- Our Lady of Good Counsel Girls School, Drimnagh received a grant of €60k to develop a play area to be shared among the four schools on the grounds,
- CBS Secondary School, James's St. received funding of €30k for a tennis court,
- Ballyowen Meadows Special School, Loughlinstown received a grant of €30k towards a sensory room and IT equipment for non-verbal children,
- New Cross College, Finglas received €30k to purchase new computers,
- Mercy Secondary School, Inchicore received €28k to support Junior Cycle reforms,

TRUSTEES' REPORT - continued

Charities of the Roman Catholic Archdiocese of Dublin

ACTIVITY REPORT – continued

2 RESTRICTED FUNDS

- Scoil Aonghusa Junior School, Tallaght received €20k for a sensory garden,
- Scoil Aonghusa Senior School, Tallaght received €20k for a STEM room,
- CBS, Westland Row, that is a special education centre for secondary school teenagers who are no longer in mainstream school and are at risk of leaving school altogether, they received €20k which was year 2 of a 3-year commitment.

Other smaller grants were awarded during the year. Many schools received grants totalling €15k for the educational psychological assessment of particular students; and €2k was awarded for retreats. The grants for educational assessments and retreats were far lower in the current year than in previous years due to COVID-19.

The Burse Fund (Vocations) - reserves at 31 December 2020 - €3,683k (2019: €3,586k)

The Burse Fund comprises the accumulation of reserves used mainly for the education of students of the priesthood. Over the last few decades, the number of seminarians has fallen dramatically. Smaller amounts of these reserves meet the training costs of permanent deacons. The Trustees made a decision in 2018 not to hold a Burse Fund collection at Mass for a number of years, as there are currently sufficient reserves to meet the current levels of expenditure. The total amount of expenditure in relation to seminarians and the training of permanent deacons in the Diocese amounted to €115k for the year. During the year, the fund reported income of €92k, primarily one donation. The fund reported €80k in realised gains and €40k in unrealised gains on the fund's investments.

Poor of Dublin Fund – reserves at 31 December 2020 - €905k (2019: €1,287k)

This fund accumulated from bequests for the poor of the Archdiocese over many years and gains made on various investments held belonging to the fund. The fund supports programmes targeted at those most in need in Dublin. The Trustees consider applications mostly from organisations that alleviate poverty and individuals experiencing financial difficulties. During the year, €331k was distributed in grants to various beneficiaries and €38k in transfer between funds. The fund reported realised gains of €49k on disposed investments and unrealised losses of €62k on the fund's investments. A number of individuals received grants directly from the fund. Below are a sample of the initiatives supported in the period that support those disadvantaged in the Diocese:

- Crosscare was granted €150k. This donation was used to support Crosscare in providing its frontline services to the disadvantaged in the Diocese, for example, Crosscare provided an emergency cocooning service for vulnerable homeless people in Dublin City Centre.
- Mercy Law Centre was granted €50k to assist with providing free legal advice and representation to those who are homeless or at risk of homelessness,
- National Family Support Network was granted €39k, to support families in the inner city with loss of family members primarily through drug use,
- Glendalough Hermitage was granted €20k to support retreat visits for those unable to meet the costs themselves. Visits were curtailed during the year.

Mission Fund – reserves at 31 December 2020 - €1,099k (2018: €1,458k)

This fund was established in 1983 by the late Archbishop Ryan for the benefit of the Missions and amalgamated with bequests for similar purposes received both before and since the establishment of the fund. The fund made €128k in realised gains on the disposal of investments and there were unrealised losses of €124k on the investments held. There was a transfer of €16k between funds. The Trustees granted a total of €347k to beneficiaries during the period.

Some of these grants donated to beneficiaries during the year are listed below:

- €200k was granted to the charity World Missions Ireland during the year as they were not able to hold their annual special collection in parishes as a result of the pandemic,
- €22k was granted to the Archdiocese of Faisalabad for financial assistance for seminarian programmes,
- €21k was granted to the Irish College in Rome for costs associated with seminarians from missionary countries,
- €10k was granted to the Episcopus Camenecenis towards the roof of a new seminary,
- €10k was granted to the Archdiocese Ivano-Frankivsk to assist with cost for seminarians.

Irish Martyrs Fund – reserves at 31 December 2020 €2,288k (2019: €2,242k)

Cardinal Cullen first established this fund and later it was augmented by a major fundraising drive launched in 1905 by Archbishop Walsh. Its purpose is the funding of the expenses associated with the promotion of the cause of the Irish Martyrs. The increase in the funds reserves at the year-end relates to realised gains of €83k on the disposal of investments. The fund had net unrealised losses on investments of €31k and transfer between funds of €5k.

TRUSTEES' REPORT - continued

Charities of the Roman Catholic Archdiocese of Dublin

ACTIVITY REPORT – continued

1 RESTRICTED FUNDS

New Cathedral Fund – reserves at 31 December 2019 - €871k (2019: €978k)

A fund was established in 1930 for the building of a new Cathedral. In July 2015, the Charities Regulatory Authority approved to apply the fund cy-près for the purpose of the refurbishment, repair, maintenance and operation of St. Mary's Pro-Cathedral, as there is no intention to build a new cathedral in the diocese. In 2020, €120k was granted to the Pro-Cathedral for renovations in the Cathedral. The fund-realised gains on the disposal of investments of €33k and net unrealised losses on the investments held of €20k.

Harrington Street Trust – reserves at 31 December 2020 - €653k (2019: €653k)

Canon Connolly established a fund in 1906 for the education of the children of the parish of Harrington Street. No submissions were made to the Trustees for any grants from the fund during the year.

Sundry Investments – balance at 31 December 2020 - €80k (2019: €80k)

These consist of sundry investments held and a mass-book that contains masses for donors' intentions.

Peter's Pence Fund – reserves at 31 December 2020 – (€11k) (2019: €13k)

This fund holds the annual Church collection (the Peter's Pence collection) for the support of the Pontifical Charities is lodged. Due to the COVID-19 global pandemic, no special collection took place in churches this year; however, the General Fund donated €150k as a once off grant to replace the collection. The negative balance of €11k is a timing difference, which will reverse in 2021.

Dublin Regional Marriage Tribunal – reserves at 31 December 2020 - €13k (2019: €34k)

The Dublin Regional Marriage Tribunal was established in 1976 to provide a service to the Dioceses of Dublin, Meath, Kildare and Leighlin, Ferns and Ossory so that those who lived in the area of those dioceses could have marriages investigated with a view to a possible declaration of nullity of marriage. The Dublin Metropolitan Tribunal adjudicates in all canonical trials with the exception of marriage cases within the Archdiocese of Dublin. The Tribunal also provides a service to other tribunals in Ireland and around the world. The fund had income during the year of €303k, expenditure of €313k and transfers between funds of €11k.

Our Lady's Choral Society – reserves at 31 December 2020 - €90k (2019: €99k)

Our Lady's Choral Society (OLCS) was founded in Dublin in 1945, after the Dublin Archdiocese brought together the best singers from all the Church choirs of Dublin for a performance of Handel's Messiah. OLCS welcomes members from all religions and walks of life. The 120 choristers chosen for membership are united by a passion for singing great choral music at a professional level. In 2020 OLCS was unable to hold its usual concerts such as the annual performance of Messiah and the carol concerts at Christmas. The fund had income during the year of €11k, expenditure of €19k and transfers between funds of €1k.

Mater Dei Educational and Research Trust – reserves at 31 December 2020 €415k – € (2019: €457k)

The Mater Dei Educational and Research Trusts purpose is to provide scholarships and grants with the following criteria:

- To fund post-graduate studies and research in the areas of Theology, Education and the Humanities;
- To sponsor seminars, conferences, publications and visiting scholars in the study and research of Religion, Education and the Humanities;
- To explore and promote the use of information technology with particular reference to digital media-based teaching and learning in the service of Religious Education, Theology and Adult Faith Formation.

The Trustees awarded grants totalling €42k during the year.

Dublin Diocesan Pilgrimages to Lourdes – reserves at 31 December 2020 €492k – € (2019: €555k)

The Dublin Diocesan Pilgrimages to Lourdes normally has two pilgrimages to Lourdes every year. The Children's Pilgrimage normally takes place at Easter time and the Adults' Pilgrimage normally takes place in September. This year due to the global pandemic, neither of the pilgrimages could take place in Lourdes; however, an event was held online. The fund was transferred into the umbrella of the reporting structure of the Charity in 2020. The closing reserves at the end of the year are €492k. The fund had income of €11k, expenditure of €73k and a transfer of €554k between funds during the year.

TRUSTEES' REPORT - continued
Charities of the Roman Catholic Archdiocese of Dublin

ACTIVITY REPORT – continued
2 RESTRICTED FUNDS

FUNDRAISING

The Office for Financial Development is continuing its work developing strategies to increase revenue for the Diocese and parishes. When the pandemic occurred in mid-March the government implemented restrictions, which resulted in the closure of churches for public worship. There was an urgent requirement for parishes to be set up quickly with a “donate button” on their websites in order to try to minimise the impact of COVID-19. Through concerted efforts the office has set up one hundred and seven parishes to date with a “donate button” on their websites.

The Office has been working with a number of third-party providers to pilot tap and go devices in twenty parishes. The intention is to provide these contactless payment machines to all parishes during 2021.

INVESTMENTS

Background

Funds held in restricted funds and the General Fund are invested to ensure ongoing returns for the donors’ original intentions and the general benefit of the Charity.

The Charity now holds three investment funds. There are currently invested in Medium Term/Medium Risk Strategy as devised by the Investments Committee in conjunction with its advisors, Aon.

The strategic weightings of the four funds for 2020 was as follows:

	General Fund Medium Term/Medium Risk	O’Brien Institute Medium Term/Medium Risk	Sundry Fund Medium Term/Medium Risk
Absolute Return	50%	60%	48%
Equities	15%	0%	-
Index Linked Bonds	0%	0%	-
Cash	35%	40%	52%

Performance

The global pandemic during 2020 resulted in the shutdown of economies and caused severe disruption in global markets. The initial lockdowns drove developed economies into a deep recession over the first half of 2020. Whilst the easing of some lockdown measures resulted in a sharp economic rebound in Q3 2020, a second wave of the outbreak amidst the onset of the northern hemisphere winter dampened economic activities over Q4 2020. Despite the havoc caused around the World by the outbreak of the coronavirus throughout over the year, the FTSE World Index rose by 6.7% in euro terms over the twelve months to 31st December 2020. Global equities rebounded sharply on the back of huge fiscal and monetary stimulus, which led to investor willingness to overlook the worst economic recession in generations.

Following on from the economic shutdown at the beginning of the year, central banks announced emergency rate cuts and quantitative easing measures to combat the downturn. The US Federal Reserve announced two emergency rate cuts in Q1 2020 in response to the severe economic impacts of COVID-19, lowering the Federal Funds Rate target to 0.00%-0.25%. The US Federal Reserve also relaunched its quantitative easing programme, pledging to buy potentially unlimited amounts of treasuries, corporate bonds and other credit assets. The European Central Bank (ECB) introduced a Pandemic Emergency Purchase Programme worth €1.85tn, which will continue until March 2022. In late 2020, the European Union (EU) also passed the block’s €1.8tn budget and recovery package. In the context of the above environment, following the extreme volatility and negative returns experienced over the first quarter, all fund returns recovered strongly throughout the remainder of 2020. The Blackrock Dynamic Diversified Growth Fund registered the largest gain (+8.2%), significantly outperforming its target return. The SSGA IUT Global 4Good Enhanced Equity Fund also recorded a positive performance

TRUSTEES' REPORT - continued

Charities of the Roman Catholic Archdiocese of Dublin

ACTIVITY REPORT – continued

RESTRICTED FUNDS

(+2.8%), but underperformed relative to its benchmark. The Insight Broad Opportunities Fund recorded a negative return over the period (-0.7%) leading to an underperformance relative to its target return.

The aggregate performance percentage of all the investment managers for the year was as follows:

	General Fund	O'Brien Trust	Sundry Funds
Actual	1.7%	4.1%	2.0%
Benchmark	<u>3.6%</u>	<u>2.5%</u>	<u>1.5%</u>

The Investment Committee monitors the performance of the underlying investment managers on a regular basis in conjunction with its advisers and if appropriate may consider changes to the composition of the underlying managers.

PLANS FOR FUTURE PERIODS

Diocesan Support Offices

- Archbishop Farrell has formed a task force on the '*Church of tomorrow for the Dublin Archdiocese*' under the title '*Building Hope*'. Its composition reflects the diversity of the Archdiocese of Dublin, in terms of geography, expertise, a number of lay people as well as clerical, and male and female members. It is hoped that the dialogue within this task force will stimulate engagement across the whole diocesan family and shape an inclusive approach to a pastoral strategy appropriate to our times. The task force will begin with an assessment of needs of the people of the Archdiocese of Dublin as we begin emerging from COVID-19.
- The impact of the closure of churches for public worship as a result of the coronavirus pandemic has severely affected the main regular income streams of the Diocese, the two Mass collections. The Common Fund and Share Fund collections are held most weekends in the parishes of the Archdiocese of Dublin. The second collection at Mass, the Share collection is the main source of income that meets the net costs of the Diocesan Support Services offices in the Curia, reported in this Charity.

Both collections, the Share collection and the Common Fund collection, are reported in the related charity, the Parishes & Schools of the Archdiocese of Dublin. These collections have reduced by 60% and 54% respectively. This sharp decline was as a direct result of the pandemic and the restrictions put in place to try to prevent the spread of the virus. In 2021, the collections have continued at a decreased level as these restrictions have continued and parishes continue to remain closed or with restricted attendances for public worship since Christmas 2020. As a result of this, a range of restructuring measures continue to be considered in an attempt to minimise the long-term impact of the pandemic, which came after years of steady decline in financial support through the Mass collections.

- As a result of the sharp decline in the Mass collections, an income committee was established as a sub-committee of the Dublin Diocesan Finance Committee. The role of this group is to make recommendations on how the more significant income streams of the Charity can be best increased and organised into the future. The committee is overseeing a review of the current online solution and a tap and go pilot. The pilot tap and go project has recently been completed and the final details of the contract are being negotiated with the preferred supplier. The tap and go devices will then be rolled out to all the parishes within the Diocese.
- Following the recommendation from the Dublin Diocesan Finance Committee, the Archbishop has appointed an external third party to perform a strategic review of the financial sustainability of the Archdiocese of Dublin to include the Curia and the parishes.
- Relocation options are being actively considered for the diocesan offices and it is expected that a decision will be made in 2021.

TRUSTEES' REPORT - continued

Charities of the Roman Catholic Archdiocese of Dublin

PLANS FOR FUTURE PERIODS - continued

- The Trustees appointed an accountancy firm as independent internal auditors to the Charity for a three-year internal audit programme focusing on the key risks for the Diocese and the parishes. The first phase of the internal audit programme has been completed and the second phase has begun. The independent internal auditors will continue with the planned internal audit programme. Some areas of the planned work were postponed during the year due to COVID-19 restrictions and the government guidelines. It is anticipated that this work would take place towards the end of 2021 if government restrictions allow. This risk register for the Charity and the parishes has been recently updated to take into account the potential risk of global pandemics in light of the current pandemic. The updated risk register formed the basis of the structured plan for the 2021 internal audit work to be carried out.
- The Charities Regulatory Authority (CRA) introduced a code of compliance, the Governance Code for charities in 2019. This code places responsibilities on the Trustees of the Charity along with the Trustees of the related charity the Parishes and Schools of the Diocese of Dublin to be compliant with this code. This places the onus on the parish priest and administrators of the parishes to ensure that their parish is compliant by the deadline set out by the CRA. To ensure that parishes are compliant with the Charities Act Governance Code by the deadline, forty planned zoom meetings have been arranged over the coming months for the parish priests and the chairpersons of the parish finance committees to attend. These workshops are to support the priests with the compliance requirements and will provide them with the adequate information, training and guidance on the Governance Code and what is required by them to ensure that their parish is compliant.
- The Diocesan Support Service will continue to support parishes with their building projects; however, it is anticipated that such projects will be limited in 2021 due to financial pressures and COVID restrictions.

TRUSTEES' REPORT - continued

Charities of the Roman Catholic Archdiocese of Dublin

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for the preparation of the financial statements of the Charity that are set out on pages 22 to 47 in accordance with generally accepted accounting practice in Ireland including the accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland.

The Trustees are required to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Charity and fund movements for that period. In preparing the financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP and FRS 102;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees confirm that they have complied with the above requirements in preparing the financial statements.

The Trustees are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Charity and to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland. It is also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



On behalf of the Trustees





Independent auditors' report to the Trustees of the Charities of the Roman Catholic Archdiocese of Dublin

Report on the audit of the financial statements

Opinion

In our opinion, Charities of the Roman Catholic Archdiocese of Dublin's financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its loss and cash flows for the year then ended; and
- have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council of the UK, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland").

We have audited the financial statements, included within the Annual Financial Report, which comprise:

- the statement of financial position as at 31 December 2020;
 - the income statement and statement of comprehensive income for the year then ended;
 - the statement of cash flow for the year then ended;
 - the statement of changes in equity for the year then ended;
 - the notes to the financial statements, which include a description of the significant accounting policies.
-

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)"). Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the charity's ability to continue as a going concern.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Financial Report other than the financial statements and our auditors' report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Responsibilities for the financial statements and the audit

Responsibilities of the Trustees for the financial statements

As explained more fully in the Statement of Trustees responsibilities set out on page 19, the Trustees are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf.

This description forms part of our auditors' report.

Use of this report

This report, including the opinion, has been prepared for and only for the Trustees and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, including without limitation under any contractual obligations of the charity, save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants
Place
9 July 2021

STATEMENT OF FINANCIAL ACTIVITIES
Financial Year Ended 31 December 2020

	Notes	Unrestricted Funds 2020 €'000	Restricted Funds 2020 €'000	Total Funds 2020 €'000	Total Funds 2019 €'000
Income					
Contributions from diocesan related charities	5(i)	3,961	288	4,249	4,856
Donations and legacies	5(ii)	1,125	102	1,227	2,037
Income from charitable activities	5(iii)	180	1	181	255
Income earned from other activities	5(iv)	21	14	35	46
Income from other trading activities	5(v)	1,114	2	1,116	479
Investment and other income	5(vi)	607	13	620	942
Total		7,008	420	7,428	8,615
Expenditure					
Expenditure on raising funds	6a(i)	(15)	(17)	(32)	(63)
Expenditure on charitable activities	6a(ii)	(9,680)	(2,029)	(11,709)	(10,270)
Other expenditure	6a(iii)	(1,138)	-	(1,138)	(1,260)
Pension Scheme – Net impact of changes	6a(iv)	(708)	-	(708)	(820)
Total		(11,541)	(2,046)	(13,587)	(12,413)
Net (expenditure) before gains on investments		(4,533)	(1,626)	(6,159)	(3,798)
Net gains on investments	11	695	258	953	3,494
Net (expenditure) after gains on investments		(3,838)	(1,368)	(5,206)	(304)
Transfers between funds	21	129	(129)	-	-
		(3,709)	(1,497)	(5,206)	(304)
Other recognised gains/(losses)					
Transfer of fixed assets and net reserves from other related Charities	23	5,243	555	5,798	-
Gains on disposal of fixed assets	24	32,741	-	32,741	22,408
Actuarial gains/(losses) on defined benefit pension scheme	15, 22	2,496	-	2,496	(2,729)
Net movement in funds*		36,771	(942)	35,829	19,375
Reconciliation of funds:					
Total funds brought forward		34,306	13,564	47,870	28,495
Total funds carried forward	8, 9,17	71,077	12,622	83,699	47,870
Restricted reserves	8, 9,17	-	12,622	12,622	13,564
Unrestricted reserves	8, 9,17	17,121	-	17,121	10,069
Designated reserves	8, 9,17	53,956	-	53,956	24,237
		71,077	12,622	83,699	47,870

*The net movement in unrestricted funds includes an increase of €29,720k in designated funds.

Approved by:




BALANCE SHEET
As at 31 December 2020

	Notes	2020 €'000	2019 €'000
Fixed assets			
Tangible assets	9, 10	3,363	4,460
Investments	9, 11	21,546	29,549
Total fixed assets	9	<u>24,909</u>	<u>34,009</u>
Current assets			
Debtors	9, 12	7,230	1,650
Cash on deposit	9	26,173	25,807
Cash at hand and in bank	9	42,843	8,157
Total current assets	9	<u>76,246</u>	<u>35,614</u>
Liabilities			
Creditors: amounts falling due within one year	9, 13	<u>(2,882)</u>	<u>(3,579)</u>
Net current assets		<u>73,364</u>	<u>32,035</u>
Total assets less current liabilities		<u>98,273</u>	<u>66,044</u>
Creditors: amounts falling due after more than one year			
Provisions for liabilities and charges	9, 16	<u>(9,811)</u>	<u>(10,056)</u>
Net assets before pension deficit		<u>88,462</u>	<u>55,988</u>
Defined benefit pension scheme deficit	9,15, 22	<u>(4,763)</u>	<u>(8,118)</u>
Total net assets of the Charity	8,9,17	<u>83,699</u>	<u>47,870</u>
The total funds of the Charity can be analysed as follows:			
Total restricted funds	8, 9,17	12,622	13,564
Total unrestricted funds	8, 9,17	17,121	10,069
Total designated funds	8, 9,17	53,956	24,237
Total Charity Funds	8, 9,17	<u>83,699</u>	<u>47,870</u>

Approved by:




STATEMENT OF CASH FLOWS
Financial Year Ended 31 December 2020

	Notes	2020 €'000	2019 €'000
Net cash used in operating activities	19	<u>(8,102)</u>	<u>(6,905)</u>
Investing activities:			
Dividends, interest and rent from investments		616	936
Proceeds from sale of property, plant and equipment		32,741	19,990
Proceeds on disposal of property, plant and equipment		873	971
Movement on shares held directly		133	(106)
Proceeds from sale of investments		9,152	8,170
Purchase of investments		<u>(361)</u>	<u>(1,815)</u>
Net cash provided by investing activities		<u>43,154</u>	<u>28,146</u>
Net cash provided by/(used in) financing activities		<u>-</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period		<u>35,052</u>	<u>21,241</u>
Cash and cash equivalents at the beginning of the reporting period		<u>33,964</u>	<u>12,723</u>
Cash and cash equivalents at the end of the reporting period	20	<u>69,016</u>	<u>33,964</u>

NOTES TO THE FINANCIAL STATEMENTS

1 General information

In Civil Law, the Charities of the Roman Catholic Archdiocese of Dublin (“Charity”) is a charitable Trust, governed by a Trust Deed signed on 20 December 2017.

The objective of the Charity is to promote the advancement of the Roman Catholic religion by enabling the Archbishop to fulfil his canonical responsibilities, which include the following;

- i. advancement of religion;
- ii. advancement of education;
- iii. provision for priests and other clergy;
- iv. provision for the Diocesan Offices of the Archdiocese;
 - v. promotion of Catholic ethos in all walks of life;
- vi. relief of poverty;
- vii. provision of physical infrastructure including but not limited to churches, parish centres, schools, hospitals, hostels for the homeless, places of accommodation and cemeteries and office premises whether directly or through any other charitable body or company; and
- viii. any other object recognised as charitable from time to time.

2 Statement of compliance

The Charity's financial statements have been prepared on a going concern basis and in accordance with Irish GAAP (accounting standards issued by the Financial Reporting Council of the UK). The Charity's financial statements comply with Financial Reporting Standard 102, ‘The Financial Reporting Standard applicable in the UK’ (FRS 102). The financial statements have also been prepared in accordance with the recommendations of the Statement of Recommended Practice applicable to Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the Republic of Ireland Charities SORP (FRS 102).

3 Summary of significant accounting policies

(a) Basis of preparation

The preparation of financial statements in conformity with SORP FRS 102 requires the use of certain key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date. It also requires the Trustees to exercise their judgement in the process of applying the Charity's accounting policies. The areas involving a higher degree of judgement or areas where assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed in the notes to these financial statements.

The significant accounting policies used in the preparation of the Charity's financial statements are set out below. These policies have been consistently applied to all financial years presented, unless otherwise stated.

(b) Going concern

In preparing the financial statements, the Trustees have considered the going concern position for the Charity. The Charity is impacted by the COVID-19 pandemic. The Share collection which is reported in the related charity ‘the parishes and Schools of the Archdiocese of Dublin’ has not been in receipt of most of its regular weekly Share Fund collections due to the suspension of churches being open for public worship for a large part of 2020 and when restrictions were eased and the churches were permitted to re-open, there were restrictions on the numbers allowed to attend. In most Parishes, the number of people permitted to attend was restricted to a maximum of 50 people at each Mass. Since the end of 2020, the restrictions increased and once again, churches were suspended from being open for public worship and have continued at this restrictions level until the middle of May 2021. As a result of this, revised forecasts for the Share Fund were prepared. The Share collection supports the costs of the Diocesan Support Offices in the Curia, which is reported in this Charity.

The estimates and judgements made in preparing forecasts to more than 12 months after the date of signing are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the current circumstances. Concerning the Mass collections income, a prudent approach has been applied in forecasting the potential future income; these have been based on averages of collections that were received in similar restriction periods in 2020 rather than using historical collections that may not be relevant for

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies - continued

(b) Going concern - continued

some time. A prudent view has had been taken when making assumptions that erred on the side of caution rather optimistic view.

The Trustees are satisfied having considered the initial impact of the pandemic, the mitigating factors introduced in particular the voluntary redundancy programme and the reserves available, that the Charity has adequate resources to continue in operational existence for the near future and therefore have prepared the financial statements on a going concern basis.

(c) Historical cost convention

The financial statements are prepared under the historical cost convention as modified by the measurement of certain financial assets at market value, the measurement of freehold land at fair value and the measurement of buildings at their deemed cost on transition to FRS 102.

Special and other charitable collections on behalf of other Charities have not been included in the Statement of Financial Activities, as they are not regarded by the Trustees as being funds of the Charity. Where any balance has not been paid to the respective organisation concerned, it has been included in creditors.

(d) Tangible fixed assets

(i) Freehold land

Land is valued at fair value based on the current use value of the land as the Charity is in the not for profit sector. There are no lands or buildings held for investment.

(ii) Freehold buildings: functional buildings (i.e. that are for the purpose of the Charity and are still in use)

The original cost of buildings was not available therefore; the Charity based its accounting policy on the insurance value of these assets as at 31 December 2015. This was then discounted back to the year of acquisition or construction using the consumer price index (the CPI was benchmarked at the earliest date available 1922) to arrive at the estimate of the acquisition cost. This acquisition cost was then depreciated over the buildings' useful life to arrive at their current net book value. This does not reflect the insurance value or the current market value of these assets.

(iii) Office equipment, fixtures and fittings and computer equipment

Office equipment, fixtures and fittings are carried at cost less accumulated depreciation and accumulated impairment losses.

Office equipment, fixtures and fittings over €5,000 are capitalised and depreciated over a 5-year period, and computer equipment over €1,000 is capitalised and depreciated over 3 years.

(iv) Heritage assets

Heritage assets consist of assets that have a historic and artistic significance such as chalices, ciborium, treasures and works of art. A reliable cost is not available for these works of art and historic treasures and the Trustees believe that the cost of carrying out such an exercise would outweigh the benefit of this information to the user of the financial statements. Therefore, in accordance with SORP and FRS102, these assets have not been capitalised. They are part of the Charity's overall objectives to advance the Roman Catholic faith. They are not held for investments and the Charity does not actively seek to acquire or dispose of these assets.

Depreciation

Land is not depreciated. Depreciation on the other assets is calculated using the straight –line method over the estimated useful lives, as follows:

	Years
Churches	100 years
Freehold buildings	50 years
Office equipment, computer equipment and fixtures and fittings	5 years
Computer equipment	3 years

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate at the end of each financial year.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies - continued

(e) Reserves accounting

The Charity maintains various types of funds as follows:

Unrestricted funds

This represents unrestricted income that is expendable at the discretion of the Trustees in the furtherance of the objects of the Charity.

Restricted funds

These represent funds received, the use of has been specified by the donor for specific purposes. They cannot be used for purposes other than those indicated by the donor.

Designated funds

Designated funds comprise of unrestricted reserves that have been set aside by the Trustees for a particular purpose. They cannot be used for purposes other than those specified by the Trustees.

(f) Revenue recognition

(i) *Incoming resources*

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

(f) Revenue recognition - continued

(ii) *Legacy income*

For legacies, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and the executor have made notification to the Charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

(iii) *Rental income*

Rental income arising on the rental of properties and car park spaces held by the Charity is recognised as the rental income falls due.

(iv) *Deposit income*

Deposit income is recognised as the deposit income is earned.

(v) *Income from activities for generation of funds*

Includes income from activities such as parish and other events. This is described as social income and whilst this is recognised on a cash received basis, this is not materially different from an accruals basis.

(vi) *Donated income*

Donations are recognised when received or receivable. Where the donor has requested the donation is spent for a particular purpose the income is included in the Statement of Financial Activity when the required performance criteria is met. Where the donation is unrestricted, the income is included in the Statement of Financial Activity when received or receivable.

(vii) *Donated services and facilities*

Donated professional services and donated facilities are recognised as income when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the Charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised. Please refer to the Trustees' annual report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised based on the value of the gift to the Charity which is the amount the Charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies - continued

(g) Investments

Investments are stated at market value. Realised and unrealised gains and losses on investments are included in the Statement of Financial Activity. The annual management charge for the below noted funds are accrued and charged daily at overall fund level, and are reflected in the closing price of the relevant fund each day.

Insight Broad Opportunities Fund:	0.50% p.a.
Blackrock Dynamic Diversified Growth Fund:	0.55% p.a.
Pimco Global Real Return Fund:	0.49% p.a.

The value of financial instruments traded in active markets (such as publicly traded equities) is based on quoted market prices at the balance sheet date. The market valuations are provided to the investment advisors by a third party pricing source. The value of the remaining financial instruments that are not traded in an active market is the lower of (a) the valuation as determined by the investment advisors using valuation techniques or (b) the estimated recoverable amount as determined by the Trustees.

(h) Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the balance sheet date. Transactions in foreign currencies are recorded at the exchange rates ruling at the dates of the transactions.

(h) Foreign currencies - continued

Gains and losses arising from foreign currency translations and on settlement of amounts receivable and payable in foreign currency are dealt with in the Statement of Financial Activities.

(i) Expenditure and irrecoverable VAT

Certain expenditure is directly attributable to specific activities and has been included in those cost categories.

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of generating funds are those costs incurred in attracting voluntary income.
- Charitable activities include expenditure associated with the mission of the Church and include both the direct costs and support costs relating to these activities together with primary purpose trading activities that raise funds.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred. The Revenue Commissioners introduced a VAT scheme for charities to apply for a VAT refund. In the current year, the Charity received 13% of its refundable VAT back. This VAT refund is disclosed as income.

(j) Administration costs

Administration costs are those functions that assist the work of the Charity but do not directly undertake charitable activities. Administration costs include back office costs, finance, human resources, communication, legal, payroll and governance costs which support the Charity's programmes and activities.

(k) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities. Cash and cash equivalents are initially measured at transaction price and subsequently measured at amortised cost.

Bank deposits which have original maturities of more than three months are not cash and cash equivalents.

(l) Internal transfer

Internal transactions and balances are eliminated from the balance sheet but are reflected in the individual fund statements.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies - continued

(m) Financial instruments

The Charity has chosen to apply the provisions of Sections 11 and 12 of FRS 102 to account for all of its financial instruments.

(i) Financial assets

Basic financial assets, including trade and other debtors, cash and cash equivalents, short-term deposits and investments in corporate bonds, are initially recognised at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. Where the arrangement constitutes a financing transaction the resulting financial asset is initially measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument. Trade and other debtors, cash and cash equivalents, investments in corporate bonds and financial assets from arrangements which constitute financing transactions are subsequently measured at amortised cost using the effective interest method.

At the end of each financial year, financial assets measured at amortised cost are assessed for objective evidence of impairment. If there is objective evidence that a financial asset measured at amortised cost is impaired, an impairment loss is recognised in the SOFA. The impairment loss is the difference between the financial asset's carrying amount and the present value of the financial asset has estimated cash inflows discounted at the asset's original effective interest rate.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors and bank loans, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction. Where the arrangement constitutes a financing transaction the resulting financial liability is initially measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Trade and other creditors and bank loans and financial liabilities from arrangements that constitute financing transactions are subsequently carried at amortised cost, using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is treated as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as due within one year if payment is due within one year or less. If not, they are presented as falling due after more than one year. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(n) Provisions and contingencies

(i) Provisions

Provisions are liabilities of uncertain timing or amount. Provisions are recognised when the Charity has a present legal or constructive obligation because of past events; it is probable that a transfer of economic benefits will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the best estimate of the amount required to settle the obligation. Provisions are reviewed at the end of each financial year and adjusted to reflect the current best estimate of the amount required to settle the obligation. The unwinding of the discount is recognised as a finance cost in statement of financial activities, presented as part of 'interest payable and similar charges' in the financial year in which it arises.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies - continued

(n) Provisions and contingencies - continued

(ii) Contingencies

Contingent liabilities, arising because of past events, are not recognised as a liability because it is not probable that the Charity will be required to transfer economic benefits in settlement of the obligation or the amount cannot be reliably measured at the end of the financial year. Possible but uncertain obligations are not recognised as liabilities but are contingent liabilities. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when and inflow of economic benefits is probable.

(o) Taxation

The Charity is exempt from taxation due to its charitable status.

(p) Defined benefit pension plan

The Charity operates a defined benefit plan for eligible employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan. The liability recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the reporting date less the fair value of the plan assets at the reporting date.

The defined benefit obligation is calculated using the projected unit credit method. Annually the Charity engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds and that have terms approximating the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Charity's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other recognised gains.

These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 're-measurement of net defined benefit liability'. The cost of the defined benefit plan, recognised in statement of financial activities as employee costs, except where included in the cost of an asset, comprises:

- (a) the increase in pension benefit liability arising from employee service during the year; and
- (b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in the SOFA as 'Finance Expense'.

4 Critical accounting judgements and estimation uncertainty

Estimates and judgements made in the process of preparing the Charity's financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Trustees make estimates and assumptions concerning the future in the process of preparing the Charity's financial statements. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

NOTES TO THE FINANCIAL STATEMENTS - continued

4 Critical accounting judgements and estimation uncertainty - continued

(a) *Useful economic lives of tangible fixed assets*

The annual depreciation on tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reviewed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 10 for the carrying amount of the tangible fixed assets, and note 3(d) for the useful economic lives for each class of tangible fixed assets.

(b) *Impairment of debtors*

The Trustees make an assessment at the end of each financial year of whether there is objective evidence that a trade or other debtor is impaired. When assessing impairment of debtors, the Trustees consider factors including the historical experience of cash collections from the debtor.

(c) *Provisions for compensation claims*

The Trustees and its external advisers carry out an annual review in an effort to arrive at a provision relating to the alleged abuse of children by priests and religious holding diocesan appointments and in respect of the eventuality of future claims arising. This provision is based on experience. However, any estimate of the likely cost to the Charity must be regarded with a high degree of uncertainty. Provision for any changes in experience, if any, will be made when a reliable estimate of their effect can be determined.

(d) *Defined benefit pension plan*

Certain employees participate in a defined benefit pension plan. The calculation of the cost of these pension benefits and the present value of the defined benefit obligation incorporate a number of estimates and assumptions, including; life expectancy, salary increases, inflation and the discount rate on corporate bonds. The pension plan assets are measured at fair value at the end of each financial year. The assumptions and estimates used in calculating the cost for the financial year, the defined benefit obligation and the fair value of the plan assets at the end of each financial year reflect historical experience and current trends. See note 15 for the disclosures relating to the defined benefit pension plan.

5 Income	Unrestricted	Restricted	Total
	Funds	Funds	Funds
	2020	2020	2020
	€'000	€'000	€'000
(i) Contributions from diocesan related charities			
Contribution from the Share Fund	3,576	-	3,576
Contribution from Parishes	144	-	144
Common Fund administration recharge	80	-	80
Clerical Fund administration recharge	32	-	32
Contribution from other related source	11	-	11
Property transaction contributions	10	-	10
Dublin Regional Marriage Tribunal	-	288	288
Diocesan tax related to sale of a Parish property	108	-	108
	<u>3,961</u>	<u>288</u>	<u>4,249</u>
(ii) Donations and legacies			
Donations	230	102	332
Legacies	237	-	237
Donation from Diocesan Agencies *	658	-	658
	<u>1,125</u>	<u>102</u>	<u>1,227</u>

* This is a notional donation to the Charity from the Diocesan Agencies. The Charity does not receive these donations from the Diocesan Agencies. The Diocesan Agencies pay these contributions to the pension scheme for the contributions on behalf of their employees.

NOTES TO THE FINANCIAL STATEMENTS - continued

5 Income - continued	Unrestricted	Restricted	Total
	Funds	Funds	Funds
	2020	2020	2020
	€'000	€'000	€'000
(iii) Income from charitable activities			
CPSMA	62	-	62
Cathedraticum	2	-	2
Dublin diocesan guidebook	11	-	11
Garda vetting	45	-	45
Vat Compensation Scheme	52	-	52
Other	8	1	9
	<u>180</u>	<u>1</u>	<u>181</u>
(iv) Income from other activities			
Miscellaneous income	<u>21</u>	<u>14</u>	<u>35</u>
(v) Income from other trading activities			
Car park and rental income	290	2	292
DCU rental income re long term lease from Oct 2016	824	-	824
	<u>1,114</u>	<u>2</u>	<u>1,116</u>
(vi) Investment and other income			
Bank interest (Received)	4	-	4
Investment income	603	13	616
	<u>607</u>	<u>13</u>	<u>620</u>
	Unrestricted	Restricted	Total
	Funds	Funds	Funds
	2019	2019	2019
	€'000	€'000	€'000
(i) Contributions from diocesan related charities			
Contribution from the Share Fund	4,123	-	4,123
Contribution from Parishes	290	-	290
Common Fund administration recharge	80	-	80
Clerical Fund administration recharge	30	-	30
Contribution from other related source	15	-	15
Property transaction contributions	19	-	19
Dublin Regional Marriage Tribunal	-	299	299
	<u>4,557</u>	<u>299</u>	<u>4,856</u>
(ii) Donations and legacies			
Donations	99	332	431
Legacies	658	138	796
Donation from Diocesan Agencies *	810	-	810
	<u>1,567</u>	<u>470</u>	<u>2,037</u>

* This is a notional donation to the Charity from the Diocesan Agencies. The Charity is not paid this by the Diocesan Agencies. The agencies pay these contributions to the pension scheme for the contributions on behalf of their employees.

NOTES TO THE FINANCIAL STATEMENTS - continued

5 Income - continued	Unrestricted	Restricted	Total
	Funds	Funds	Funds
	2019	2019	2019
	€'000	€'000	€'000
(iii) Income from charitable activities			
CPSMA	63	-	63
Cathedraticum	26	-	26
Dublin diocesan guidebook	11	-	11
Retreat income	23	-	23
Garda vetting	102	-	102
Vat Compensation Scheme	9	-	9
Other	21	-	218
	<u>255</u>	<u>-</u>	<u>255</u>
(iv) Income from other activities			
Miscellaneous income	<u>21</u>	<u>25</u>	<u>46</u>
(v) Income from other trading activities			
Car park and rental income	<u>294</u>	<u>185</u>	<u>479</u>
(vi) Investment and other income			
Bank interest (Received)	1	5	6
Investment income	<u>922</u>	<u>14</u>	<u>936</u>
	<u>923</u>	<u>19</u>	<u>942</u>
6 Expenditure			
	Unrestricted	Restricted	Total
	Funds	Funds	Funds
	2020	2020	2020
	€'000	€'000	€'000
(a) Analysis of expenditure			
(i) Expenditure on raising funds:			
Investment management fees	14	17	31
Fundraising/event costs	<u>1</u>	<u>-</u>	<u>1</u>
	15	17	32
(ii) Expenditure on Charitable activities:			
Pastoral activities	1,360	523	1,883
Grants to beneficiaries	2,883	1,501	4,384
Educational support	392	-	392
Voluntary Redundancy costs	2,030	-	2,030
Child safeguarding and protection services	485	-	485
Relocation Costs	79	-	79
Support costs (see 6b)	<u>2,451</u>	<u>5</u>	<u>2,456</u>
	9,680	2,029	11,709
(iii) Other expenditure:			
General Fund expenditure including pension fund expense and interest	1,138	-	1,138
(iv) Pension scheme – Net impact of changes	<u>708</u>	<u>-</u>	<u>708</u>
Total expenditure	<u>11,541</u>	<u>2,046</u>	<u>13,587</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

6 Expenditure - continued	Unrestricted	Restricted	Total
	Funds	Funds	Funds
	2020	2020	2020
	€'000	€'000	€'000
(b) Support costs			
Diocesan offices support costs	2,161	-	2,161
Governance costs	480	5	485
	<u>2,641</u>	<u>5</u>	<u>2,646</u>
	Unrestricted	Restricted	Total
	Funds	Funds	Funds
	2019	2019	2019
	€'000	€'000	€'000
(a) Analysis of expenditure			
(i) Expenditure on raising funds:			
Investment management fees	10	25	35
Fundraising/event costs	-	28	28
	<u>10</u>	<u>53</u>	<u>63</u>
(ii) Expenditure on Charitable activities:			
Pastoral activities	1,577	791	2,368
Grants to beneficiaries	2,136	2,083	4,219
Educational support	527	-	527
Child safeguarding and protection services	697	-	697
Support costs (see 6b)	2,459	-	2,459
	<u>7,396</u>	<u>2,874</u>	<u>10,270</u>
(iii) Other expenditure:			
General Fund expenditure including pension fund expense and interest	1,260	-	1,260
(iv) Pension scheme – Net impact of changes	820	-	820
Total expenditure	<u>9,486</u>	<u>2,927</u>	<u>12,413</u>
(b) Support costs			
Diocesan Offices support costs	1,954	-	1,954
Governance costs	505	-	505
	<u>2,459</u>	<u>-</u>	<u>2,459</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

7 Employee and Trustee information	2020	2019
	€'000	€'000

The average number of employees employed during the year was 56 (2019: 60).

Staff costs:

Salaries and wages	2,582	2,968
Seconded staff	165	150
Social security costs	245	298
Pension costs	354	409
Recruitment, training and other expenses	145	176
	<u>3,492</u>	<u>4,003</u>
*Voluntary redundancy pay costs	1,914	-
	<u>5,406</u>	<u>4,003</u>

The Charity met the criteria for the Wages Subsidy Scheme for most of the Diocesan employees.

During the year, the Charity received €196k from the economy-wide enterprise support scheme (EWSS) and €240k from the temporary COVID-19 Wage Subsidy Scheme (TWSS).

These voluntary redundancy severance costs disclosed relate to the 40 Diocesan employees who were accepted for the voluntary redundancy programme that took place during the year. The average severance package equated to €47,858. A large number of the employees who took voluntary redundancy worked in the Charity in excess of 20 years.

Included in the voluntary redundancy severance costs disclosed above is €506k relating to severance package for 13 Parish Pastoral Workers. These voluntary redundancy costs are being met by this Charity. The salary costs of these employees are met by the related charity the 'Parishes and Schools of the Archdiocese of Dublin'.

At the end of the year, 45 employees remain employed in the Charity, of which two are seconded from the Department of Education and five of the Charity employees' salaries are funded externally.

In line with the FRS 102 requirement, a provision for holiday pay earned but not taken is included in the salary costs.

	2020	2019
	€'000	€'000
Number of employees whose emoluments for the year (including taxable benefits in kind but not employer pension contributions) were equal to or greater than €70k per annum.	<u>5</u>	<u>7</u>

	2020	2019
	Number of employees	Number of employees

The employees whose salaries are above €70k per annum can be analysed as follows:

Salary range:

€70k - €80k	-	1
€80k - €90k	2	3
€90k - €100k	2	-
€100k - €125k	1	3
	<u>5</u>	<u>7</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

7 Employee and Trustee information - continued

	2020 €'000	2019 €'000
Total pension contributions in the year for the above employees amounted to:	<u>54</u>	<u>79</u>

The average salary per employee based on employees for the year is €54k (2019: €49k) before the seconded staff costs, pension costs, social security costs, recruitment and training. The average costs increased during the year due to the additional salary costs incurred relating to the employees who applied for the voluntary redundancy such as salary costs relating to pay in lieu of notice and holiday pay costs. This average salary does not include the two-seconded staff. The average cost per employee based on 58 staff (2019: 62) for the year including seconded staff, social security costs, pension costs, recruitment and training is €67k (2019: €64,481).

Trustees

Trustees do not receive any remuneration by virtue of their position as Trustees. All of the Trustees are serving clergy.

No Trustees received any expenses in their capacity as Trustees during the year.

There were no loans advanced to Trustees during the years and no loans outstanding at 31 December 2020.

Voluntary workers

In addition to employees, the Charity has a number of unpaid volunteers who help in a number of capacities.

Key management compensation

Key management is defined as members of the management team who are making key management decisions. Key management includes two clergy, the Archbishop and the Moderator of the Curia and the General Manager/Financial Administrator. The clergy are not remunerated from this Charity. They are remunerated from the Common Fund, which is a restricted fund in the related charity, 'Parishes and Schools of the Diocese of Dublin'. The total compensation paid or payable to key management for employee services is shown below:

	2020 €'000	2019 €'000
Total key management compensation	<u>122</u>	<u>132</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

8 Summary of Restricted, Unrestricted and Designated Fund movements from 1 January 2020 to 31 December 2020

	Fund balances brought forward €'000	Income €'000	Expenditure €'000	Transfers between funds €'000	Gains / (Losses) (realised & unrealised) €'000	Fund balances carried forward €'000
<u>Restricted funds:</u>						
O'Brien Institute	2,677	3	(686)	(32)	82	2,044
Burse Fund	3,586	92	(105)	(10)	120	3,683
Poor of Dublin	1,287	-	(331)	(38)	(13)	905
Mission Fund	1,458	-	(347)	(16)	4	1,099
Irish Martyrs	2,241	-	-	(5)	52	2,288
New Cathedral Fund	979	-	(121)	-	13	871
Harrington Street Trust	653	-	-	-	-	653
Sundry Investment	80	-	-	-	-	80
Peters Pence	13	-	(11)	(13)	-	(11)
Dublin Regional Marriage Tribunal	34	303	(313)	(11)	-	13
Dublin Diocesan Pilgrimages to Lourdes	-	11	(73)	554	-	492
Our Lady Choral Society	99	11	(19)	(1)	-	90
Mater Dei Educational and Research Trust	457	-	(40)	(2)	-	415
Total Restricted Funds	13,564	420	(2,046)	426	258	12,622
<u>Unrestricted funds:</u>						
Diocesan Support Offices	-	4,110	(4,620)	510	-	-
General Fund unrestricted funds	10,069	2,898	(6,792)	(381)	11,327	17,121
Total Unrestricted Funds	10,069	7,008	(11,412)	129	11,325	17,121
<u>Designated funds:</u>						
General Fund designated funds	24,237	0	(129)	0	29,848	53,958
Total Designated Funds	24,237	0	(129)	0	29,848	53,958
TOTAL FUNDS	47,870	7,428	(13,587)	555	41,433	83,699

Note: The detail and the purposes of these restricted, unrestricted and designated funds is detailed in the Activity Report.

NOTES TO THE FINANCIAL STATEMENTS - continued

9 Statement of financial position analysed by its unrestricted and restricted elements as at 31 December 2020

	Unrestricted 2020 €'000	Restricted 2020 €'000	Total 2020 €'000	Total 2019 €'000
Fixed assets				
Tangible assets	3,312	51	3,363	4,460
Investments	14,800	6,746	21,546	29,549
Total fixed assets	<u>18,112</u>	<u>6,797</u>	<u>24,909</u>	<u>34,009</u>
Current assets				
Debtors	7,206	24	7,230	1,650
Cash on deposit	24,894	1,279	26,173	25,807
Cash at hand and in bank	37,195	5,648	42,843	8,157
Total current assets	<u>69,295</u>	<u>6,951</u>	<u>76,246</u>	<u>35,614</u>
Liabilities				
Creditors: amounts falling due within one year	<u>(1,756)</u>	<u>(1,126)</u>	<u>(2,882)</u>	<u>(3,579)</u>
Total assets less current liabilities	79,704	12,622	98,273	66,044
Creditors: amounts falling due after more than one year				
Provisions for liabilities and charges	<u>(9,811)</u>	-	<u>(9,811)</u>	<u>(10,056)</u>
Net assets excluding pension liability	75,840	12,622	88,462	55,988
Defined benefit pension scheme deficit	<u>(4,763)</u>	-	<u>(4,763)</u>	<u>(8,118)</u>
Total net assets	<u>71,077</u>	<u>12,622</u>	<u>83,699</u>	<u>47,870</u>
The funds of the Charity	<u>71,077</u>	<u>12,622</u>	<u>83,699</u>	<u>47,870</u>

10 Tangible assets

	Land and buildings €'000	Computer equipment, fixtures & fittings €'000	Total tangible fixed assets €'000
Cost or valuation			
At 1 January 2020	5,640	1,356	6,996
Additions and transfer from other funds	433	92	525
Disposals	<u>(1,398)</u>	-	<u>(1,398)</u>
At 31 December 2020	<u>4,675</u>	<u>1,448</u>	<u>6,123</u>
Accumulated depreciation			
At 1 January 2020	(1,313)	(1,222)	(2,535)
Depreciation transfer and charge for the financial year	<u>(168)</u>	<u>(57)</u>	<u>(225)</u>
At 31 December 2020	<u>(1,481)</u>	<u>(1,279)</u>	<u>(2,760)</u>
Net book value amount			
Net book value at 31 December 2019	<u>4,327</u>	<u>133</u>	<u>4,460</u>
Net book value at 31 December 2020	<u>3,194</u>	<u>169</u>	<u>3,363</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

11 Investments

	2020 €'000	2019 €'000
Quoted investments at valuation	21,546	29,549
Cash on deposit	26,173	25,807
Total value	<u>47,719</u>	<u>55,356</u>

The investments are stated at market value.

	2020 €'000	2019 €'000
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The movement in quoted investments during the year was as follows:

Opening market value	29,549	32,339
Additions	-	1,815
Withdrawals/Disposals	(8,791)	(8,405)
Management fees	(31)	(35)
Net realised gains/(losses) on investments	1,288	657
Net unrealised gains/(losses) on investments	(335)	2,837
Net unrealised gains/(losses) on investments held for related parties	(97)	67
Net unrealised gains/(losses) on investments held for third parties	(37)	39
Cash receivable	-	235
Closing market value	<u>21,546</u>	<u>29,549</u>

The analysis of investments category is as follows:

Absolute Returns	17,526	17,680
Real return index linked bonds	0	6,982
Quoted equity	3,407	4,141
Investments in shares held direct	613	746
	<u>21,546</u>	<u>29,549</u>

12 Debtors

	2020 €'000	2019 €'000
Other receivables and prepayments	1,558	747
Amounts due from related Charities	549	903
Finance lease receivable	5,123	-
	<u>7,230</u>	<u>1,650</u>

13 Creditors: amounts falling within one year

	2020 €'000	2019 €'000
Creditor and other accruals	(1,756)	(1,732)
Amounts due to related Charities	(1,126)	(1,847)
	<u>(2,882)</u>	<u>(3,579)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

14 Finance leases

The future minimum lease payments are as follows:

	2020 €'000	2019 €'000
Not later than one year	744	-
Later than one year and not later than five years	890	-
Later than five years	33,630	-
Total future minimum lease payments	<u>35,264</u>	<u>-</u>

The finance lease relates to the long-term lease of St. Patrick's College, Drumcondra to DCU College for an annual rent of €175k with CPI applied every 5 years. The period of the years is 150 years. The remaining lease terms are 146 years and 9 months.

15 Pension commitments

The Archdiocese of Dublin provides a defined benefit pension plan, Catholic Diocese of Dublin Pension Plan (the "Plan") for the current and former staff of the Charity and the Diocesan Agencies listed on page 6. The Charity also sponsors the Mater Dei Institute of Education Pension Scheme, the scheme for members of the former College, Mater Dei Institute of Education who were previously members of the Plan. Both are combined in these financial statements.

The Diocesan Agencies are separately registered with the CRA. In accounting for the Catholic Diocese of Dublin Pension Plan under FRS102 the full value of the Plan's assets and liabilities has been included in these financial statements. The Diocesan Agencies are not required to account on their balance sheets for a portion of this liability and they simply account on a Defined Contribution (DC) basis for the contributions paid in any year. The accounting treatment being adopted does not change the nature of the arrangement. The funding responsibility of the individual agencies under the Trust Deed and Rules to fund the Plan is unchanged and they will continue to pay such contributions as determined by the Actuary from time to time to preserve the solvency of the fund. These contributions will be determined such that they cover the funding costs of benefits, not just for existing employees, but also for former employees with deferred entitlements under the Plan and current pensioners.

All employees who are members of the Catholic Diocese of Dublin Pension Plan accrue 1/110th of basic salary per year of service. There is no automatic inflation increase applied annually to the retired members pension payments. Should a sustainable surplus arise in the scheme in future periods, formal discussions will take place between the Scheme Actuary, the trustees of the pension scheme and the Employers at that time, with a view to identifying scope to apply defined and actuarially approved increases to the pensions of those scheme members who are in retirement. The scheme remains non-contributory for staff.

The latest funding valuation for the diocesan defined benefit scheme as at 1 January was in 2020. The Mater Dei pension schemes next funding valuation date is no later than 31 March 2021.

Thirty-three of the active Diocesan employees took voluntary redundancy in 2020, nine of which transferred out their pension and any accrued future benefits from the scheme. This resulted in a curtailment gain of €116k in their current year. For the employees who finished employment in the Diocese in December 2020 and opted to transfer out of the scheme, any gain associated with them will be recognised in 2021 in line with the FRS102 pension rules.

The net changes in the assumptions of the pension schemes detailed below in the table have resulted in the pension scheme in 2020 reporting an increased deficit of €4.8m (2019: €8.1m).

Independent consulting actuaries carried out a comprehensive actuarial valuation of the Group pension scheme, using the projected unit credit method, at 31 December 2020. Adjustments to the valuation at that date have been made based on the following assumptions:

NOTES TO THE FINANCIAL STATEMENTS - continued

15 Pension commitments - continued	2020	2019		
Key assumptions				
Discount rate	1.20%	1.25%		
Rate of increase in Consumer Price Index - Inflation	1.25%	1.30%		
Rate of increase in salaries	<u>1.80%</u>	<u>2.05%</u>		
	2020	2019		
	Years	Years		
The mortality assumptions used were as follows:				
Longevity at age 65 for current pensioners:				
- men	22.4	22.4		
- women	<u>24.1</u>	<u>24.1</u>		
	2020	2019		
	€'000	€'000		
Assets and liabilities of the Plans:				
Assets:				
- equities	7,283	7,958		
- bonds	37,000	35,670		
- absolute return fund	503	510		
- cash and other	5,151	4,256		
Total value of assets	<u>49,956</u>	<u>48,394</u>		
Present value of funded liabilities	<u>(54,719)</u>	<u>(56,512)</u>		
Total deficit	<u>(4,763)</u>	<u>(8,118)</u>		
	Assets	Liabilities		
	€'000	€'000		
	2020	2019		
	Total	Total		
	€'000	€'000		
Reconciliation of schemes' assets and liabilities:				
At 1 January 2020	48,393	(56,511)	(8,118)	(6,061)
Benefits paid	(1,849)	1,849	-	-
Experience (gains)/losses	-	714	714	-
Settlement & curtailment gain/(loss)	(594)	710	116	-
Employer contributions including prepayment	1,544	-	1,544	1,604
Current service cost	-	(506)	(506)	(624)
Administration costs	(202)	-	(202)	(195)
Interest on plan assets/(liabilities)	603	(695)	(92)	(112)
Actuarial gain/(loss)	2,061	-	2,061	(2,730)
Change in financial assumptions	-	(280)	(280)	-
At 31 December 2020	<u>49,956</u>	<u>(54,719)</u>	<u>4,763</u>	<u>(8,118)</u>

The plans' assets do not include any of the Group's financial instruments nor is any property occupied by any Group entity.

NOTES TO THE FINANCIAL STATEMENTS - continued

15 Pension commitments - continued	2020 €'000	2019 €'000
The amounts recognised in the statement of financial activities are as follows:		
Interest cost	(695)	(1,034)
Expected return on scheme assets	603	922
Other finance expense	(92)	(112)
Current service costs	(506)	(624)
Administration costs	(202)	(195)
Net gains on settlements and curtailments	116	-
Total	<u>(684)</u>	<u>(931)</u>

The amounts recognised in the statement of financial activities - other recognised losses are as follows:

Actual (gains)/losses less expected return on scheme assets	(2,061)	(4,099)
Experience (gains)/losses on liabilities	(714)	(949)
Change in assumptions underlying the present value of the scheme liabilities	280	7,778
Actuarial (gain)/ loss recognised on defined benefit pension scheme	<u>(2,496)</u>	<u>2,730</u>

The actuarial (gain) recognised in the statement of financial activities other recognised gains for the financial year ended 31 December 2020 is €2,496k compared to the prior year a loss was recognised in the statement of financial activities (2019: €2,730k).

	2020 €'000	2019 €'000
Actual return on plan assets	<u>2,061</u>	<u>5,021</u>

16 Provisions for liabilities and charges	2020 €'000	2019 €'000
At beginning of the year	10,056	10,639
<i>Movement in the year:</i>		
Net changes in provision	(35)	112
Payments made during the year	(210)	(695)
Closing provision	<u>9,811</u>	<u>10,056</u>

The Trustees are aware of claims for compensation in connection with the alleged abuse of children by diocesan and religious order priests holding diocesan appointments.

The Trustees and its external advisers carry out an annual review in order to determine a provision in respect of claims notified and the eventuality of future claims arising.

NOTES TO THE FINANCIAL STATEMENTS - continued

17 Reserves note

Reserves at 31 December 2020

	2020 €'000	2019 €'000
Unrestricted reserves	17,121	10,069
Designated reserves	53,956	24,237
Restricted reserves	12,622	13,564
Total reserves	<u>83,699</u>	<u>47,870</u>

The Charity has introduced a reserve policy to ensure that it has sufficient reserves to continue to develop its mission long into the future and to meet its committed expenditure as it falls due. Such reserves cannot include Restricted funds which have to be retained to be spent only for the purposes specified by the donors nor designated funds which are funds set aside for essential future commitments.

Unrestricted Funds

The unrestricted funds of the Charity at 31 December 2020 are €17,121k. The composition of these funds are:

- €5,123k relates to the discounted present value of the annual rent for the 150-year finance lease of St. Patricks College, Drumcondra with DCU.
- €160k relates to the net book of the unrestricted tangible fixed assets on the balance sheet.
- The remaining €11,828k is made up of investments and other assets, net of the liabilities and provisions and thus constitute the available unrestricted funds 'free reserves'.

Level of target reserves to be retained within unrestricted funds

Given the continuing restrictions on church attendance, it is very unlikely that Mass collections will return to 2019 levels in the short term and given trends of declining attendances in recent years this level may not be achieved again. Given the scale of the Archdiocese, it is imperative that the level of unrestricted reserves is sufficient to meet expected and unforeseen liabilities. These reserves need to be held to meet the ongoing expenditure in the General Fund. The reserves are also the source of support for the related charity, "The Parishes and schools of the Archdiocese of Dublin". In 2020, the Charity granted €1,000k to the Common Fund to finance priest's stipends and it is expected that a large grant to the Share Fund will be required in 2021.

After the financial collapse in 2008, a policy was introduced to build up the reserves in the Share Fund to ensure that the Fund had sufficient reserves to meet its expenditure. The reserves of the Share Fund were immediately severely impacted by the lockdown in mid-March 2020. Prudent forecasting indicated that the reserves would be exhausted if the Mass Collections did not recover in a short timeframe. It was necessary to significantly reduce the fixed cost base and a restructuring of diocesan offices was commenced in June 2020. A successful voluntary redundancy programme was rolled out in 2020 where staff numbers reduced by 40. The cost of the programme was met from unrestricted reserves and a strategic review is underway in 2021 to determine how diocesan offices can best provide support services to parishes into the future. The Share Fund normally helps to support disadvantaged parishes of the Diocese. If this collection was to continue to be affected, some parishes may need to be supported by the unrestricted reserves if there were no other options available.

The Trustees believe, taking in to account all the potential expenditures and supports that The Charity could be required to support, that they should target a sustainable level of tangible reserves with a minimum range of between €12,000k and €15,000k. It is noted that the level of unrestricted funds that is available to constitute the tangible reserves of the Charity at €11,838k at 31 December 2020 falls somewhat below that. The Trustees will aim to increase the level of available funds to achieve the target reserves figure on an ongoing basis. The Trustees will continue to keep the level of reserves under review and will adjust the target level in the light of future developments.

NOTES TO THE FINANCIAL STATEMENTS - continued

17 Reserves note - continued

Designated Funds

Holy Cross College, the Charity's primary fixed asset has now been sold and is being converted into cash reserves. The Trustees have designated these reserves of €53,956k for future strategic investment, as outlined in the review for the financial year. The Charity does not have any further surplus fixed assets to sell once these designated reserves are expended. The Charity is not accumulating reserves; it is adopting a prudent approach to ensure the Charity has sufficient reserves to allow the Diocese and the parishes continue the mission of the Catholic Church into the long-term future.

Restricted Funds

The restricted reserves within this Charity are €12,622k. These reserves are legally restricted and decisions on the appropriate level of reserves for each of the restricted funds are considered taking into account the particular objects and requirements of each of these funds. See note 8 for a breakdown of these restricted reserves.

18 Contingencies

The Charity has contingent liabilities as a result of guaranteed borrowings in respect of the 'Parishes and Schools of the Diocese of Dublin' at 31 December 2020, which amounted to €3,316k (2019: €4,100k).

19 Reconciliation of net incoming resources to cash outflow from operating activities	2020 €'000	2019 €'000
Net (expenditure)/income for the reporting year before gains and transfers	(7,235)	(3,798)
Transfers during the financial year	675	-
Dividend, interest and rent from investments	(616)	(936)
Investment management fees	31	35
Pension adjustments regarding the multi-employer scheme	2,496	(311)
Depreciation	225	43
Decrease in debtors	367	114
(Decrease)/increase in creditors	(445)	(3,526)
Increase/(decrease) in pension deficit	(3,355)	2,057
Change in provision for liability and charges	(245)	(583)
	<u>(8,102)</u>	<u>(6,905)</u>

20 Analysis of changes in cash and cash equivalents	2019 €'000	Cash flows €'000	2020 €'000
Cash in hand in bank current and deposit accounts and net of bank overdrafts	<u>33,964</u>	<u>33,654</u>	<u>69,016</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

21 Transfers between funds	2020 €'000	2019 €'000
Transfers between funds within the Charity	<u>129</u>	<u>6,373</u>

The 2020 transfer between funds relates to administration recharges for the support services that the Diocesan Offices provides to the various funds within the Charity. These recharges also cover a portion of the associated governance costs and annual audit fees. These transfers are between funds within the Charity and therefore net out to zero on consolidation. Also, transferred between funds is €380k between the General Fund and the Diocesan Offices Services Fund relating to an administration charge of €52k plus a transfer of Holy Cross College reserves to meet the net costs of running Holy Cross College. These transfers are within two unrestricted funds and net out to zero and therefore they are not shown on the face of the SOFA.

22 Related party transactions	2020 €'000	2019 €'000
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The Charity had the following related party and Charity transactions with other diocesan Charities during the year:

(i) Parishes and Schools of the Diocese of Dublin (CRA 20016166)-income	3,961	4,557
(ii) DRMT subventions from other dioceses	288	299
	<u>4,249</u>	<u>4,856</u>

These related party transactions relate to income received in the Diocesan Offices, the largest being from the contribution from the Share Fund of €3,756k (2019: €4,123k) to help finance central support services costs. Also included in this figure are contributions from parishes totalling €144k (2019: €290k) towards the costs incurred by the Charity to ensure that parishes comply with the Charities Act. In the current year, there is a contribution of €108k from one parish associated with the sale of fixed assets. Also included in related party transactions is income from the Common Fund and the Clerical Fund for the compliance, audit fees, administration and financial support functions that the Diocesan Support Services provide to these funds. Included in this related party balance is €288k (2019: €299k) in income that the Dublin Regional Marriage Tribunal received from a number of other dioceses that the Tribunal serves.

(iii) Parishes and schools of the Diocese of Dublin (CRA 20016166) - expenditure	2020 €'000	2019 €'000
	<u>(2,514)</u>	<u>(2,000)</u>

The related party expenditure transactions with a total value of €2,514k in 2020 with the 'Parishes and Schools of the Diocese of Dublin' (CRA 20016166) relates to two donations from the Archbishop's General fund that the Trustees of the Charity made to the related charity the 'Parishes and Schools of the Archdiocese of Dublin'. The first donation was to the Common Fund for €1,000k to support the fund in meeting its expenditure in light of the decrease in the Common Fund first collection.

The second donation was to the Share Pastoral Services Fund to replace the income donated in the Living the Joy of the Gospel campaign that was donated in pillar two for the lay ministry in the amount of €1,514k that was utilised to meet the costs of the current Parish Pastoral Workers.

NOTES TO THE FINANCIAL STATEMENTS - continued

22 Related party transactions - continued	2020 €'000	2019 €'000
(iv) Crosscare (CRA 20010942) – income	35	35
Crosscare (CRA 20010942) – expenditure	(300)	(200)
Crosscare (CRA 20010942) – net expenditure	<u>(265)</u>	<u>(172)</u>

The related party income relates to income received from Crosscare for office space in Holy Cross College. This space is rented below the market value for office space in the area. Also included is a recharge in relation to Crosscare's portion of the IBEC subscription for the year.

The related expenditure transactions during the year with Crosscare relate to two donations totalling €300k from two of the Charity's restricted funds during the year, the O'Brien Institute (€150k) and the Poor of Dublin (€150k). In the prior year, the donation related a donation of €200k from the General fund towards Crosscare's pension contributions.

	2020 €'000	2019 €'000
(v) Mater Dei Institute of Education (CRA 20010287)	<u>(400)</u>	<u>(400)</u>

These related party transactions relate to pension contributions paid to the diocesan pension scheme on behalf of Mater Dei employees for service accrued to the date that they merged with DCU in 2016. The Mater Dei Institute of Education has been deregistered as a charity post year-end.

	2020 €'000	2019 €'000
(vi) Accord (CRA 20014100) – income	17	23
Accord (CRA 20014100) - expenditure	-	-
	<u>17</u>	<u>23</u>

The income related party transactions relate to rental income from the diocesan agency for office space it utilises in Holy Cross College Campus. This office space is let out at a price below the market value in the area. It also includes a small amount of catering costs recharged for the first quarter of the year prior to the COVID pandemic.

	2020 €'000	2019 €'000
(vii) World Meeting of Families – (expenditure) /income	<u>-</u>	<u>(8)</u>

This expenditure relates to computer equipment that the Charity purchased from the World Meeting of Families when it was winding up and no longer had any use for the items.

	2020 €'000	2019 €'000
(viii) Irish Episcopal Conference (IEC) Maynooth – income	25	-
Irish Episcopal Conference (IEC) Maynooth – expenditure	(10)	24
	<u>15</u>	<u>24</u>

This income relates to the World Meeting of Families 2018 solidarity fund. The Charity gave a €100k loan to the solidarity fund to help meet the deficit in the WMOF 2018. It was agreed that €25k would be paid back each year over the next four years. The WMOF charity was wound up and this income is now due from the Irish Episcopal Conference (IEC) in Maynooth. The €10k payment to the Irish Episcopal Conference (IEC) in Maynooth relates to a recharge from the IEC for the grants officer costs associated with the work she has done in successfully

NOTES TO THE FINANCIAL STATEMENTS - continued

22 Related party transactions - continued

obtaining grants for the Archdiocese and the parishes. The main grants being from the Albert Gubay Foundation. In 2020, the Charity received a grant of €145k from the Albert Gubay Foundation.

(viii) The Charity had the following related party balances (payable to)/ receivable from at 31 December:

	2020 €'000	2019 €'000
Parishes and Schools of the Diocese of Dublin & other related party	(1,232)	(1,839)
Inter fund related party payable balances	(16)	-
World Meeting of Families 2018	-	(8)
Related Party - payable balances	<u>(1,248)</u>	<u>(1,847)</u>
Parishes and Schools of the Diocese of Dublin & other related party balances	430	759
Irish Episcopal Conference (IEC) Maynooth (WMOF 2018 Solidarity Fund)	75	100
Loan to a related party	23	24
Dublin Diocesan Pilgrimage to Lourdes (CRA 20008703)	-	2
Crosscare (CRA 20010942)	-	1
Accord (CRA 20014100)	-	5
Interfund related party balances	16	12
Related Party - receivable balances	<u>544</u>	<u>903</u>
Net related party payable balances	<u>(694)</u>	<u>(944)</u>

Related party disclosure in relation to the Diocesan pension scheme

Diocesan agencies

The following are notional transactions relating to the multi-employer pension scheme. All contributions by the Charity and Diocesan Agencies are paid directly to the scheme administrator, however because the overall liability of the fund is disclosed in the Charity's financial statements, the following transactions are reported as a notional capital contribution towards the Charity.

	2020 €'000	2019 €'000
Donation and legacies	<u>852</u>	<u>810</u>

Below are income and expenditure in the Statement of Financial Activities (SOFA) with regard to the multi-employer pension scheme:

	2020 €'000	2019 €'000
Included within the following category within the SOFA:		
Service costs – other expenditure	(708)	(624)
Contributions paid within this Charity – charitable expenditure	693	-
Curtailed gains – pension schemes – net impact of changes	116	-
Interest expenses – other expenditure	(695)	(1,034)
Interest income – investment income	603	922
Total net (expense)/income booked in the SOFA with regards to the pension schemes	<u>9</u>	<u>(736)</u>
Other recognised losses		
Actuarial gains/(losses) on defined benefit pension scheme	<u>2,496</u>	<u>(2,729)</u>
Balance sheet		
Creditors falling due after more than one year - defined benefit pension schemes	<u>(4,762)</u>	<u>(8,118)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

23 Transfer of fixed assets and reserves from funds within the Charity/ or from other related Charities	2020 €'000	2019 €'000
<i>Transfers of fixed assets and net reserves from/(to) other related Charities:</i>		
Transfer of net reserves from Dublin Diocesan Pilgrimages to Lourdes	555	-
Transfer of St. Patrick's College fixed assets to the General Fund	5,243	-
Transfer of net reserves from Holy Cross College to the General Fund	-	(6,241)
Transfer of net reserves to the General Fund from Holy Cross College	-	6,241
	5,798	-

The transfers during the year relate to the transfer of the net assets of the Dublin Diocesan Pilgrimages to Lourdes charity (CRA 20008703) into the Charity, the Archdiocese of Dublin. The second transfer relates to the transfer of the St. Patrick's College fixed assets into the Charity, the Archdiocese of Dublin.

The following properties in St. Patrick's College have been transferred onto the fixed asset register of the Archdiocese of Dublin:

- St. Patrick's Chapel
- St. Patrick's Boys National Junior School,
- St. Patrick's Boys National Senior School,
- Drumcondra Education Centre (DEC).

In line with the Charity's fixed asset policy in relation to the recognition of schools, these schools and the DEC were not brought onto the balance sheet of the Charity. These four properties above were excluded from the transfer agreement in 2016 when St. Patrick's College and Mater Dei Institute of Education transferred to DCU.

This transfer agreement transferred the St. Patrick's College land and buildings with the exclusion of the four properties above to DCU with a 150-year lease at an annual rental charge of €175k with five yearly rent reviews. This long-term lease has been transferred onto the balance sheet of this Charity as a finance lease in 2020.

24 Gains on the disposal of fixed assets

The surplus Holy Cross College land and buildings were sold to the GAA during last year. The sales contract agreed to sell these surplus lands in four tranches. This gain disclosed in the financial statements for 2020 relates to the gain arising from the disposal of tranche two of the land and buildings that were contractually sold to the GAA. This gain arises as the accounting policy of the Charity was to value Holy Cross College land and buildings at its current value in use.

25 Events after the end of the reporting period

Subsequent to the year-end, the Trustees decided to wind up the defined benefit pension scheme, the Catholic Diocese of Dublin Pension Plan. The scheme has become unaffordable for the participating employers, in particular because of the current and expected future costs of funding the deficit of the scheme. Alternative arrangements for members of the pension scheme are under consideration. On 25 June 2021, the Trustees formally notified the trustees of the Diocese of Dublin Pension Scheme of their intentions to wind up the scheme.

26 Approval of financial statements

The financial statements were approved by the Trustees on 9th July 2021.